

Improving the performance of the City of Windhoek using the balance score card performance measurement tool

by

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Declaration

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Abstract

This study researched performance measurement tools adopted by local government with a focus on the City of Windhoek. Performance measurements suitable for the public service such as the Balanced Scorecard (BSC) are not prescript. As such, it is possible for organisations to fail to adopt such a performance measurement tool. In addition, the adoption of a performance measurement in public service is a culmination of various contextual factors that makes each implementation case unique. Accordingly, this study employed the BSC in evaluating the performance of the City of Windhoek with the aim of establishing its impact. The City of Windhoek has adopted a BSC since 2005 and recently reconfigured the perspectives and objectives of its BSC in line with national goals. The literature suggests that the adoption of performance measurement tools in public service is a common trend in developed and developing countries. However, different public services employ different implementation approaches and assume unique perspectives depending on contextual factors.

The study used a quantitative methodology to meet the research objectives. Fifty respondents at the City of Windhoek were targeted. Data analysis and results confirm that the City of Windhoek adopted a BSC's four perspectives namely the financial, internal business processes, learning and growth and customer perspective. Research findings suggest that the implementation of the BSC was done through meetings and workshops. Furthermore, respondents are of the view that the BSC has positively impacted employees' performance towards the achievement of organisational goals. However, this finding has to be taken with caution given that employees can manipulate the performance indicators of a performance system. Employees at the City of Windhoek indicated that they face challenges in the form of a lack of management support and lacking technical skills on performance management tools. In addition, the employees at the City of Windhoek are of the view that the adopted performance measurement is complicated by the existence of too many measures and that the performance measure evaluate everything without limitations. This finding may suggest a poorly implemented measure or a lack of understanding due to limited skills. Findings from this study can help re-address concerns around the implementation of the BSC.

Opsomming

Hierdie studie-navorsingprojek fokus op prestasiemetingsinstrumente wat deur die plaaslike regering aangeneem is, in die Stad van Windhoek. Prestasiemetings wat geskik is vir die staatsdiens, soos die Balanced Scorecard (BSC), is nie voorskriftelik nie. As sodanig kan organisasies nie so 'n prestasiemetingsinstrument goedsmoeds aanneem nie. Daarbenewens is die aanvaarding van 'n prestasiemeting in die staatsdiens 'n kulminasie van verskeie kontekstuele faktore wat elke implementeringsonderneming uniek maak. Gevolglik het hierdie studie die BSC ingespan om die prestasie van die Stad van Windhoek te evalueer met die doel om die impak daarvan te bepaal. Die Stad van Windhoek het sedert 2005 'n BSC aangeneem en het onlangs die perspektiewe en doelwitte van sy BSC hersaamgestel in ooreenstemming met nasionale doelwitte. Die literatuur dui daarop dat die aanvaarding van prestasiemetingsinstrumente in die staatsdiens algemeen voorkom in ontwikkelde en ontwikkelende lande. Verskillende openbare dienste toon egter verskillende implementeringsbenaderings en gebruik unieke perspektiewe afhangende van kontekstuele faktore.

Die studie het 'n kwantitatiewe metodologie gebruik om die navorsingsdoelwitte te bereik. Vyftig respondente wat werkzaam is by die Stad van Windhoek is geteiken. Data-analise en resultate bevestig dat die Stad van Windhoek die BSC se vier perspektiewe aangeneem het, naamlik die finansiële, interne sakeprosesse, leer en groei en kliënteperspektief. Navorsingsbevindings dui daarop dat die implementering van die BSC deur middel van vergaderings en werksinkels gedoen is. Verder is respondente van mening dat die BSC die werknemers se prestasie ter bereiking van organisatoriese doelwitte, positief beïnvloed het. Hierdie bevinding moet egter met omsigtigheid benader word, aangesien werknemers die prestasie-aanwysers van 'n prestasiestelsel kan manipuleer. Werknemers by die Stad van Windhoek het aangedui dat hulle uitdagings in die vorm van 'n gebrek aan bestuursondersteuning ondervind en ook dat tegniese vaardighede op prestasiebestuursinstrumente ontbreek. Daarbenewens is die werknemers van die Stad van Windhoek van mening dat die aangenome prestasiemeting bemoeilik word deur die te veel maatreëls en dat die prestasiemaatstaf alles sonder beperkinge evalueer. Hierdie bevinding mag dui op 'n swak geïmplementeerde maatreël of 'n gebrek aan begrip weens beperkte vaardighede.

Bevindinge van hierdie studie kan help om bedenkinge oor die implementering van die BSC an te spreek.

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Table of Contents

Declaration.....	i
Abstract.....	ii
Opsomming.....	iii
Acknowledgements.....	v
Table of Contents.....	vi
List of Figures	x
List of Tables	xi
List of Abbreviations	xii
Chapter 1 – The Introduction.....	1
1.1 Introduction.....	1
1.2 Background.....	1
1.3 Problem statement.....	3
1.4 Aim of the study.....	3
1.5 Research questions.....	3
1.6 Significance of the study.....	4
1.7 Research methodology.....	4
1.8 Thesis overview	5
Chapter 2 – Performance Measurement Systems and Factors Influencing Adoption ...	7
2.1 Introduction.....	7
2.2 Definition of key terms	7
2.3 Performance measurement and their transition.....	9
2.4 A theoretical view of public sector reforms.....	11
2.4.1 The Institutional Theory (IT).....	13
2.4.1.1 Coercive pressure	14
2.4.1.2 Mimetic pressure	15
2.4.1.3 Normative pressure	15

2.5	Performance measurement tools suitable for the PS.....	16
2.5.1	The BSC	17
2.5.2	The EFQM model.....	18
2.5.3	The Performance Prism Model (PPM)	19
2.6	Chapter summary	19
	Chapter 3 – The Local Government.....	21
3.1	Introduction.....	21
3.2	The global perspective of local government	21
3.2.1	The British local government	22
3.2.2	Germany local government	23
3.3	The context of local government in developing countries.....	25
3.3.1	The South African local government.....	25
3.3.2	Tanzania local government.....	26
3.4	The Namibian government	27
3.4.1	Pre-colonial era.....	27
3.4.2	Namibia government during the colonial-era.....	28
3.4.3	The Namibian government post-independence	30
3.4.3.1	An Overview of Namibian Local Authority	31
3.4.3.2	The organisation and roles of local authorities	32
3.5	The City of Windhoek	34
3.5.1	The City of Windhoek and adopted performance measurements.....	34
3.5.1.1	The introduction of a performance measurement tool	35
3.5.1.2	The strategic transformational plan period: 2017 to 2022	37
3.6	Chapter summary	40
	Chapter 4 – Research Methodology.....	41
4.1	Introduction.....	41
4.2	Research design	41

4.2.1	Secondary research	42
4.2.2	Primary research	42
4.2.3	The research philosophy	43
4.2.4	Research approach	43
4.2.5	Research techniques and procedures	43
4.2.5.1	Target population	44
4.2.5.2	Target sample	44
4.2.5.3	Data collection instrument	45
4.2.5.4	Data collection administration	46
4.2.5.5	Data analysis	46
4.2.5.6	Reliability and validity	46
4.2.6	Research strategy	47
4.3	Ethical considerations	47
4.4	Chapter summary	48
Chapter 5 – Presentation and Interpretation of Results		49
5.1	Introduction.....	49
5.2	Sample profile and response rate	49
5.3	Respondents demographics statistics.....	49
5.3.1	Gender of respondents	49
5.3.2	Age distribution of respondents.....	50
5.3.3	Experience in the current job position	51
5.3.4	The job position at the organization	52
5.4	City of Windhoek’s performance measurement	52
5.4.1	Use of a performance measurement	52
5.4.2	Participation in the performance measurement development.....	54
5.4.3	Knowledge of targets or goals	56
5.4.4	The impact of BSC on performance	57

5.4.5	Reasons behind adopting the performance management system	58
5.4.6	Deficiencies of the performance measurement system	59
5.5	The adoption of the BSC perspectives by the City of Windhoek	60
5.5.1	The customer perspective	60
5.5.2	Internal business process perspective	61
5.5.3	The learning and growth perspective.....	62
5.5.4	The financial perspective	63
5.6	Chapter summary	63
Chapter 6 – The Study Conclusion and Recommendations.....		65
6.1	Introduction.....	65
6.2	Summary of research findings	65
6.3	Conclusion	69
6.4	Recommendation	70
6.4.1	Future research opportunities	71
6.5	Chapter summary	71
References.....		72
Appendix A: The Questionnaire		77
Appendix B: Permission to Conduct A Survey at The City of Windhoek		81
Appendix C: Ethical Clearance Certificate.....		82
Appendix D: Informed Consent.....		83

List of Figures

Figure 1: The transition of performance measurements	10
Figure 2: The City of Windhoek balance scorecard.	35
Figure 3: Performance management process of the City of Windhoek	36
Figure 4: The management structure to oversee the strategic transformation plan from 2017 to 2022	39
Figure 5: Gender distribution of respondents	50
Figure 6: Age distribution of respondents.	51
Figure 7: Respondents' experience in their current job positions.....	52
Figure 8: The percentage of respondents who are aware of the City of Windhoek's use of a performance measurement system.....	53
Figure 9: Common performance measurements used.....	54
Figure 10: Method of communicating the implementation of a performance measurement	56
Figure 11: Performance measurement goals important to management.....	57
Figure 12: Success rate of performance measurement system	58
Figure 13: Deficiencies of the performance measurement system	60
Figure 14: Important factors in the customer perspective of the City of Windhoek ...	61
Figure 15: Important factors considered under internal business process	62
Figure 16: Important factors considered under the learning and growth perspective..	62
Figure 17: Important factors considered under the financial perspective.....	63

List of Tables

Table 1: Roles of towns and municipalities in Namibia.	33
Table 2: Departments and units that participated in development process.....	55
Table 3: Reasons for performance management system.....	59

List of Abbreviations

BSC:	Balanced Scorecard
BV:	Best Value
CPA:	Comprehensive Performance Assessment
EFQM:	European Foundation for Quality Management
FMH:	Federal Ministry of Health
GASB:	Governmental Accounting Standards Board
IBP:	Integrated Business Plan
ICT:	Information Communication Technology
IMF:	International Monetary Fund
IPSA:	International Public Sector Accounting Standard
IT:	Institutional Theory
KPA:	Key Performance Area
LAAC:	Local Authority Accounts Committee
LDC:	Least Developed Country
LGTA:	Local Government Transaction Act
MRLGH:	Ministry of Regional Local government and Housing
NAMFISA:	Namibian Financial Institutions Supervisory Authority
NPM:	New Public Management
NSM:	New Steering Model
PBBS:	Performance- Based Management System
PEFA:	Performance Measurement Framework
PFM:	Public Financial Management
PPM:	Performance Prism Model
PS:	Public Service
ROI:	Rate of Investment
SMART:	Simple Measurable Relevant and Time bound
SEA:	Service Efforts and Accomplishments Reporting
USA:	United States of America

Chapter 1 – The Introduction

1.1 Introduction

The Public Service sector of both developing and developed countries is adopting performance measurement systems (Kuhlmann, 2010b; Nyamori & Gekara, 2016; Sutheewasinnon, Hoque, & Nyamori, 2016). Contextual factors are seen as playing a critical role in influencing the adoption of performance measures. As such, generalising findings from one case to the next is difficult. This study uses a Balanced Scorecard (BSC) to evaluate the performance measurement of the City of Windhoek. This chapter introduces the study. Hence, it presents a discussion of the research followed by a delineation of the problem statement and research objectives. The chapter goes on to explain the importance of the study. An overview of the research methodology is included. The chapter concludes with an overview of the thesis organisation.

1.2 Background

The Public Service (PS) of developing countries is on a drive to adopt performance measures. For example, the Ethiopian Federal Ministry of Health (FMH) assumed a top-down approach to the implementation of the BSC across the government health sector. The project of adopting a BSC was funded by the World Bank and International Monetary Fund (IMF) (Bobe, Mihret, & Obo, 2017). A performance measurement system was seen as a measure to enhance transparency and sustaining funding from World Bank and the IMF. Similarly, Thailand's government-initiated reforms in its PS by adopting a performance measurement system in 1999 (Sutheewasinnon et al., 2016). The government adopted a top-down approach to its implementation of the BSC whose perspectives were cascaded all the way down to the last employee on the hierarchy. The performance management system was expected to enhance transparency in government activities and help unlock international funding from the World Bank and IMF following an Asian economic crisis that negatively affected Thailand's economy. Another case in point is that of the Kenyan government that adopted a performance measurement within its PS following the end of President Daniel Arap Moi's reign. The

implementation of a performance measurement was seen as a way to enhance transparency and productivity in a government that was characterized by negative reports of corruption during President Moi's tenure (Nyamori & Gekara, 2016).

The City of Windhoek has followed an international trend of adopting the BSC as a performance measurement since 2005. The City of Windhoek's case of the BSC adoption is occurring under different scenarios compared to the most common trends in Africa and other developing countries. Thailand, Kenya, Tanzania and Ethiopia's recent reforms in the PS follows a top-down approach in which the government plays a central role in pushing for the adoption of a performance measurement system. Contrary to this, it is the City of Windhoek that seems to be playing a central role in the adoption of a performance measurement system (City Of Windhoek, 2017). In addition, while the BSC has proved to be one of the popular performance measurements in the PS, organizations are adopting unique measurements or perspectives as these have to reflect contextual factors. For instance, City Councils in the United States of America (USA) and Canada are widely adopting the financial perspective due to the legislation within the environment (Chan, 2004). Few City Councils adopted the internal business processes perspective. However, the City of Windhoek and FMH adopted all perspectives in the BSC.

In addition, the literature suggests the adoption of a performance measurement is complex due to a lack of the technical know-how about the BSC and performance measurement. Thailand had to adopt her performance measurement over four stages starting in 1999 and going beyond the year 2006. It should be noted that Thailand had a false start to her implementation of the BSC as they had to restart its implementation in 2003. Similarly, Ethiopia went through several training workshops, hiring of BSC experts from the USA and Europe, sending the FHM Minister for training in the USA and restructuring the whole Ministry to accommodate the BSC (Sutheewasinnon et al., 2016). Thailand went through a near similar route of engaging BSC experts, facilitating training workshops and restructuring the PS by introducing new job design and offices. As such, performance measurements need to be understood within the context due to various influential factors that apply with wide consequences.

1.3 Problem statement

The adoption of a BSC is a complex process that is influenced by various contextual factors. The literature reports on various successful and unsuccessful stories in BSC implementation (Bobe et al., 2017; Sutheewasinnon et al., 2016). Thus, the BSC is not a prescriptive framework; hence, it is subject to abuse as some authorities fail to adapt the framework (Chan, 2004; Yadav, Sushil, & Sagar, 2013). Furthermore, the performance of some of the local government offices do not go on to publish their results after implementing the BSC (Kuhlmann, 2010b). This limits the opportunity to review and compare performances so that conclusions can be made on the performance of a PS office following the implementation of a BSC. The same can be said in the case of the City of Windhoek's implementation of a BSC whose impacts and results on performance are yet to be known.

1.4 Aim of the study

The objective of this study is to investigate the impact of the BSC on the performance of the City of Windhoek. Expectations are that the impact of the performance measurement system implemented by the City of Windhoek towards the attainment of organizational goals could be ascertained. In order to address the objective of this study, the following sub-objectives were identified:

1. To review the implemented performance measurement at the City of Windhoek.
2. To determine the extent to which the balanced scorecard has been adopted by the City of Windhoek.
3. To establish the impact of performance measurement on the City of Windhoek.
4. To determine the City of Windhoek's performance management implementation strategy.

1.5 Research questions

To address the main research objective, the following research question was formulated:

What is the impact of the BSC on City of Windhoek's performance?

This research question was divided into the following sub-questions in line with the research sub-objectives:

1. How was a performance measurement tool adopted at the City of Windhoek?
2. What are the attributes of the BSC that were adopted by the City of Windhoek?
3. What is the impact of performance measurement tool on the City of Windhoek?
4. Which strategy was used by the City of Windhoek to adopt a performance management tool?

1.6 Significance of the study

The efforts that are being put in place to facilitate the implementation of performance measurements by different PS sectors suggest that this is a difficult exercise (Bobe et al., 2017; Suteewasinnon et al., 2016). Furthermore, contextual factors play important roles in the shaping of a performance measurement system that will be adopted by the PS. Hence, this study shall offer an alternative review of the implementation of a performance measurement with reference to the City of Windhoek. The case of the City of Windhoek is unique in the sense that, unlike the majority of cases where the government plays a central role of pushing for the adoption of a performance measurement in a top-down approach, the City of Windhoek is initiating the BSC implementation as it seeks to align with national developmental goals (Bobe et al., 2017; Goddard, Assad, Issa, Malagila, & Mkasiwa, 2016; Nyamori & Gekara, 2016; Suteewasinnon et al., 2016). It is believed that findings from this study will add to the body of knowledge on BSC implementations initiated by individual Municipalities or Town Councils as they try to enhance their transparency, performance and achieve national goals.

1.7 Research methodology

This study used a quantitative research methodology. A quantitative research methodology suited this study as it attempted to address a research question starting

with a “*What*” instead of a “*How*” that is suitable for qualitative research according to Yin (2003). In addition, the study was researching on a tried and tested framework (BSC), something that made it suitable for quantitative research according to Yilmaz (2013). The City of Windhoek was this study’s target population. Fifty respondents were considered. A questionnaire survey was used for data collection. The author self-administered the distribution and collection of copies of the questionnaire. Descriptive statistics were used in data analysis. Section 4.3 gives a detailed account of the research design for this study. Section 4.4 went on to explore ethical considerations that were observed during the conducting of this research study.

1.8 Thesis overview

This thesis is organized into the following six chapters:

Chapter 1: chapter one introduced the research study. The research background explored the implementations of performance measurements in the PS. It was found that different PS adopt different characteristics of performance measurements. Contextual factors were seen as playing a pivotal role in influencing the characteristics of performance measurements. The problem statement was defined as a lack of knowledge on the impacts of performance measurement adopted by the City of Windhoek. As such, this study used a BSC to evaluate the City of Windhoek’s performance measurement. The chapter went on to justify the study and briefly explained the research methodology. The study used a quantitative research methodology.

Chapter 2: chapter two of the study explored different performance measurements. It was observed that performance measurement systems range from financial-based to non-financial based performance measurement systems. The chapter found that PS often adopt non-financial based performance measurement systems since they are mostly non-profit making organizations. The chapter used the Institutional Theory (IT) to explain factors that influence reforms in PS.

Chapter 3: chapter three reviewed the literature on local government. It explored the international perspective of local government and went on to discuss the continental

perspective of local government. The explorations and discussions revealed performance measurement systems adopted by the PS within the evaluated contexts. The chapter went on to zero in on Namibia's local government during and after the colonial era. The City of Windhoek was discussed together with its performance measurement system.

Chapter 4: chapter four discussed the research methodology. The study uses a quantitative research methodology. A questionnaire survey was used for data collection. Questions in the questionnaire were informed by the literature review.

Chapter 5: chapter five presents results from data collection and analysis. The chapter goes on to interpret research findings. Comparisons were done between the study's findings and those in the literature.

Chapter 6: chapter six concludes the study. It discussed a summary of the research findings for each of the researched research objectives of chapter one. The chapter goes on to make research conclusions and recommendations for future research. It was concluded that, while the City of Windhoek adopted a BSC as a performance measure, its success should be determined over time depending on outputs and meeting of organizational objectives.

Chapter 2 – Performance Measurement Systems and Factors Influencing Adoption

2.1 Introduction

This study seeks to evaluate a performance measurement of the City of Windhoek using a BSC. As such, this chapter adds to the study by exploring different performance measurements. It starts with an overview of key terms. This is followed by an analysis of the evolution of performance measurement systems. The study goes on to explain performance management and uses the Institutional Theory to explain the factors influencing the adoption of performance measurement systems in the PS. An overview of performance measurements that are suitable for the PS concludes the chapter.

2.2 Definition of key terms

This section defines the following key terms that were used in this study:

Performance: Elger (2007: 2) reiterates that to perform refers to “taking a complex series of actions that integrate skills and knowledge to produce a valuable result”. Atkinson (1998: 12) concurs with this thought as he states that “performance is a journey not a destination”. However, after performing, one has to use a performance measure to evaluate the extent to which performance was done according to plan. Up next is the definition of performance measurement.

Performance measurement: performance measurement “is systematically collecting data by observing and registering performance-related issues for some performance purpose” (Van Dooren, Bouckaert and Halligan, 2015: 7). Similarly, Radnor and Barnes (2007) in Fryer, Antony and Ogden (2009: 480) defines performance measurement as the process of “quantifying, either quantitatively or qualitatively, the input, output or level of activity of an event or process”. As such, performance is often measured against a predefined target. Accordingly, performance measurements often consist of four elements that include: what should be measured, how should it be measured, how to interpret the findings and approaches for communicating results (Fryer et al., 2009). It can therefore be concluded that performance measurement differs

from performance management (explained in the next paragraph) in that measurement focuses on understanding the past while management uses information from the past to influence the future performance (Fryer et al., 2009). Chow et al. (1998) in Chan (2004: 205) states that performance measurement can be used to provide feedback “on the effectiveness of the plans and their implementation”. This study acknowledges the debate on the definition of performance measurement as such; its consideration of performance measurement is not limited to “efficiency” and “effectiveness”. Rather, performance measurement is seen as the evaluation of “how well organisations are managed and the value they deliver for customers and other stakeholders” (Striteska & Spickova, 2012).

Performance management: performance management involves the analysis of data and setting targets with the aims of reporting a historic activity and forecasting future performance (Fryer, Antony & Ogden, 2009). They went on to suggest that this practice has always been done in the public sector even though the term “performance management” was first utilized in the 1970s. The terms performance management and performance measurement are often used interchangeably (Fryer et al., 2009; Radnor & McGuire, 2004). However, performance management aims to react to the outcome of an activity and uses this to manage or influence future performance (Fryer et al., 2009; Radnor & McGuire, 2003). As such, performance management is very broad and can include “training, teamwork, dialogue, management style, attitudes, shared vision, employee involvement, multicompetence, incentives and rewards” (Lebas, 1995 in Radnor & McGuire, 2003: 246). These suggestions concur with a perception by Fryer, Antony and Ogden (2009) that performance management is characterised by alignment towards performance management system and organisation strategies, leadership commitment, monitoring, giving feedback, learning from results etc.

Performance management systems: are the tools and techniques used in the performance management process. These could be seen as overarching mechanisms/frameworks for guiding how performance should be measured, the areas of focus and how performance should be measured. The literature appears to use performance management systems and performance management tools interchangeably or performance measurement tools are part and parcel of the performance management system. For example, Radnor and McGuire (2003) referred to the BSC at one point as

a performance measurement tool and went on to refer to the BSC as a performance management system within the same article. Chan (2004: 206) stated that an organization need to implement a performance management system that “engenders strategic evolution and ensures goal congruence” if a good performance is to be realized. Section 2.3 discusses the different performance management systems.

2.3 Performance measurement and their transition

This section provides a discussion of performance management systems and measurement tools. Just as there are different performance management systems, so too there are performance measurement tools. These performance measurement tools range from financial to non-financial measurements (Arnaboldi & Azzone, 2010; Bobe et al., 2017; Chan, 2004; Teguh & Sirait, 2018). It is important to understand the different performance measurement tools and their evolution in order that performance measurement tools suitable for the PS can be ascertained.

The origins of the financial performance measurements can be traced to the early 19th century when the Dupont brothers introduced “a pyramid of financial ratios” (Ndlovu, 2010). Financial performance measurements have been in use for quite a long period of time. These performance measurements make use of the Return on Investment (ROI), earnings per share, profit margins and stock turnover, among others, to estimate an organization’s performance over a given period of time. Despite claims that financial oriented performance measurements provide comparable results across organizations and are reliable and widely accepted among stakeholders, these measurements have been found inadequate to measure a business organization’s performance (Ndlovu, 2010; Salem, Hasnan, & Osman, 2012; Striteska & Spickova, 2012; Yadav et al., 2013). Mohobbot (2004) in Salem, Hasnan and Osman (2012) identified the following limitations of financial performance measurements:

- failure to explain future performances as they are backward looking,
- providing little information on the root cause of any problems hence they cannot be used to devise solutions,
- they are too summarized and can reward incorrect behaviour.

On the other hand, changes in the business ecology due to technological advancements, liberal economies, global competition and regulatory requirements from governments suggest that profits alone may not be adequate to measure performance (Salem et al., 2012; Yadav et al., 2013). Due to this inadequacy, Bourne et al. (2014); Salem et al. (2012) and Ndlovu (2010) observed an evolution of performance measurement paradigms from financial based to non-financial measurements that are seen to be holistic and integrated. Figure 1 summarizes the transition of performance measurements from a financial perspective to a non-financial perspective over the years.

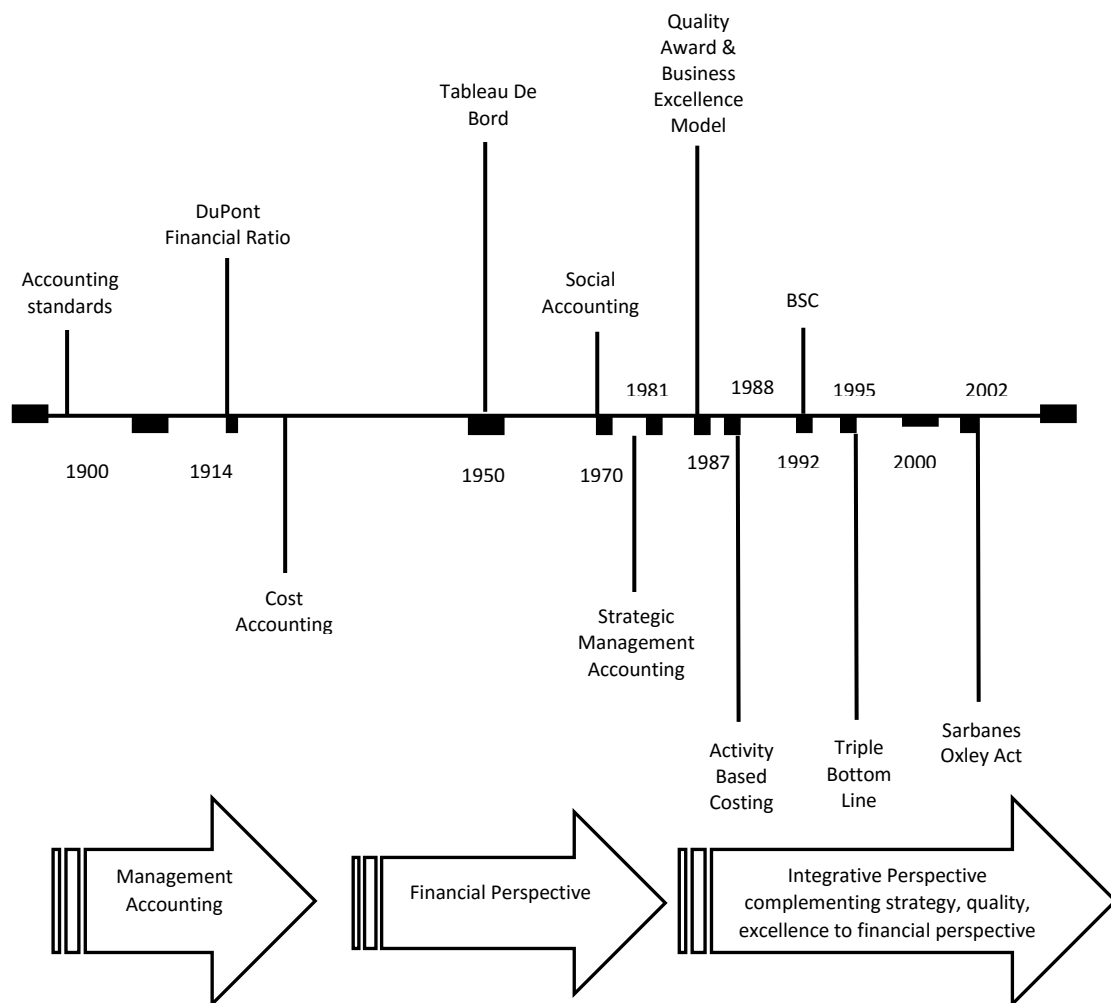


Figure 1. The transition of performance measurements

Source: (Salem et al., 2012).

In light of the limitations associated with financially based performance measurements, researchers and practitioners have proposed alternative solutions starting with *Tableau de bord* who agitated for combined financial and non-financial performance measurements in the 1950s. It was not until the post 1985 era that major developments in performance measurement recorded tremendous progress with the introduction of the European Foundation for Quality Management (EFQM) in 1988 and Kaplan and Norton's BSC that was introduced in 1992 (Ndlovu, 2010; Striteska & Spickova, 2012; Yadav et al., 2013). A comprehensive literature review by Yadav et al. (2013) noted that the introduction of the EFQM and BSC are some of the most important milestones in the revolution of performance measurements. Some of the non-financial performance measurements that have been introduced over the years include the Shareholder Value Added Model-1986; Activity Based Costing-1987; Measurement Matrix-1989; Theory of Constraints-1990; SMART Performance Pyramid-1991; Competitive Benchmarking, Performance Prism-1998; Performance Prism-2001 and Kanji Business Excellence Performance System-2002 (Ndlovu, 2010; Striteska & Spickova, 2012; Yadav et al., 2013). These performance measurements have different and comprehensive perspectives on what constitutes performance and the way it is measured (Ndlovu, 2010). In addition, these non-financial performance measurements focus on issues centred on "customer satisfaction, manufacturing excellence, market leadership, quality, reliability, responsiveness, technological leadership and the quest for superior financial results" (Fisher, 1992 in Ndlovu, 2010). Some of these performance measurement tools are discussed in Section 2.5.

2.4 A theoretical view of public sector reforms

This study aims to employ the BSC in evaluating the performance of the City of Windhoek in order to establish its impact on performance and recently adopted reforms by the PS. Accordingly, this section discusses the adoption of performance measurements by the PS. The previous sections of this chapter argued that the introduction of non-financial performance measurement was motivated by the complexities in today's business environment and the limitations of financial-based performance measurements. There is a consensus in the literature that the adoption of performance measurements in PS has mainly been a factor of a paradigm shift that saw the introduction of New Public Management (NPM) (Arnaboldi & Azzone, 2010).

The NPM has led to various PS reforms such as the introduction of performance-based budget system (PBBS) in Thailand, performance contracts in Kenya, various accounting reforms in Tanzania and some Public Financial Management (PFM) reforms in the least developed countries guided by the Performance Measurement Framework (PEFA) at the auspices of the World Bank (Andrews, 2011; Goddard et al., 2016; Nyamori & Gekara, 2016; Sutheewasinnon et al., 2016). A push towards NPM principles by Western countries' conservative parties during the 1990s motivated for non-financial oriented performance measurements as they were seen as suitable for the non-profit oriented PS sector.

Principles in the NPM are considered useful as they allow the public sector to match inputs to outputs or outcomes, foster accountability, efficiency and effectiveness (Chan, 2004; Sutheewasinnon et al., 2016). In particular to Least Developed Countries (LDC), these reforms are seen as the key factor towards poverty alleviation, fighting corruption and assisting in the sourcing and allocation of resources (Adhikari, Kuruppu, & Matilal, 2013; Andrews, 2011; Goddard et al., 2016).

However, others argue that such measures are there to serve the interests of former colonial powers and donor agents such as the World Bank and the International Monetary Fund (IMF) who play a leading role in mobilizing financial resources to support developmental programmes in resource poor LDC (Adhikari et al., 2013). It is against this background that the literature in part argues that the adoption of reforms in the Public Sector of LDC has been motivated by a desire to attain legitimacy by conforming to externally designed systems, practices and beliefs (Andrews, 2011). Attaining legitimacy ensures the longevity of external support and survival of organizations in the Public Sector of LDC. As such, NPM's potential to steer development is questioned as some argue that it lacks a contextual understanding of LDC that is characterized by weak accountability practices, poorly implement fragmented policies and a lack of the necessary skills to facilitate NPM (Adhikari et al., 2013; Goddard et al., 2016).

In the light of the questions surrounding NPM, it is therefore important to have a theoretical understanding of how change and the adoption of Public Sector reforms occur. The literature suggests that the Institutional Theory (IT) can help explain how

PS reforms occur (Andrews, 2011; Goddard et al., 2016). Andrews (2011) states that the IT can explain the adoption of reforms. where:

- an organization depends on other organizations,
- there is a lack of certainty on what “institutional features to adopt”; they face ambiguous goals and are in organizational fields with a small number of dominant, especially statist players (on which many organizations are dependent), and few accepted organizational models.”

These characteristics match those of African governments that “are dependent on donors, face great goal ambiguity (or ambiguity about the means to achieve goals such as fiscal discipline, allocative or technical efficiency, or Millennium Development Goals) and are thus uncertain about what their PFM structures should look like” (Andrews, 2011).

2.4.1 The Institutional Theory (IT)

The IT has received wide research in assessing the adoption of PS reforms in LDC. For example, Adhikari et al. (2013) used the theory to explain the influence of colonial powers, globalization and internationalization on the adoption of reforms in Sri-Lanka and the Nepalese. Their study found key IT principles at play in influencing the success of Public Sector reforms. It was also noted that contextual factors and the availability of relevant skills play a key role in the institutionalization of reforms. Another study by Goddard et al. (2016) in Tanzania used the IT theory to reflect on the adoption of reforms in PS. They noted that external pressure from donors was at play in influencing reforms in the Tanzanian central government, local government and Non-Governmental Organizations. Andrews (2011) used the IT theory to study public sector reforms in thirty-one African countries. In addition, Nyamori and Gekara (2016) used the IT theory to study PS reforms in Kenya. These studies suggest the IT theory can help the understanding of PS reforms in Africa, Namibian local government included.

Central to the IT theory’s explanation of PS reforms is the isomorphism pressure and decoupling or loose coupling (Adhikari et al., 2013; Goddard et al., 2016; Nyamori & Gekara, 2016). The isomorphism pressure proposes that organizations in the same field are faced with pressure to adopt reforms and procedures within their field in order to

attain legitimacy and in the process be guaranteed continued external support. Isomorphism can be determined by coercive, memetic and normative pressure. Furthermore, decoupling or loose coupling suggest that an organization can adopt best practices but will not go on to put this into practice or maintain these shapes in the day-to-day operations due to political dynamics or for reasons of self-interest. The isomorphism pressure suggests that the organizations in the PS can succumb to pressure and adopt reforms that demonstrate accountability. However, the adoption of these reforms can “be superficial and leave the values, beliefs and practices of actors unchanged” (Goddard et al., 2016). The next sections discuss these factors that shape the adoption of innovation in PS. This is important because the factors that shape the adoption of reforms in PS inform the potential success of these reforms in delivering positive results.

2.4.1.1 Coercive pressure

Coercive pressure includes formal and informal pressure from the environment to adopt certain norms within a field. Formal pressure includes legislative requirements to comply with prescribed rules while informal pressure can emanate from those (people or organisations) an organization depends on for resources (Adhikari et al., 2013). For instance, Namibia’s legislative requirements, discussed in the next chapter, can influence the way local government authorities like the City of Windhoek operate. For example, the introduction of performance contracts influenced the way Kenyan councils operate (Nyamori & Gekara, 2016). In addition, the USA’s Governmental Accounting Standards Board (GASB) promulgated the Service Efforts and Accomplishments Reporting (SEA) in 1994 that mandated local government authorities in the country to report their annual “financial and non-financial” operations (Chan, 2004).

Such an environment will force the local government to adopt a holistic performance measure that enables it to prepare the required reports within the confines of the law. Informal pressure from former colonial masters, leading institutions such as the World Bank and IMF can also put pressure on organizations to adopt reforms. Andrews (2011) observed that 11% of loans issued out by the World Bank between the years 1990 and 2006 had requirements for the recipient to adopt specific Public Sector reforms. For

instance, the Thai Government's adoption of a Performance Agreement Framework that assumed NPM reforms was partly down to coercive pressure from the World Bank as part of a condition to secure a government loan (Sutheewasinnon et al., 2016). Similarly, the World Bank and IMF had a hand in the Ethiopian government's decision to adopt the BSC (Bobe et al., 2017).

2.4.1.2 Mimetic pressure

Faced with the uncertainty on what institutional reforms to adopt, PS organizations might end up copying and imitating reforms that are utilised by leading organizations. These may include copying practices utilised by organizations in the private sector or those in the same field. This is possible in the PS given a paucity of proven sector-specific reform models and a lack of the relevant skills (Andrews, 2011; Goddard et al., 2016). Sutheewasinnon et al. (2016) attributed the Thai Government's decision to adapt the BSC in their Performance Agreement Framework to a move that reflected succumbing to mimetic pressure.

2.4.1.3 Normative pressure

Goddard et al. (2016) suggest that the normative pressure is pressure from professional institutions courtesy of proposed best practices or models or controls that the PS can adopt and in doing so obtain legitimacy. Such a process can be internally driven, something that improves the likelihood of success in reforming PS. For example, the Ethiopian government is going through a process of adapting the BSC in the PS with financial and expert assistance from donor agents, World Bank and IMF, as well as BSC experts from the United States (Bobe et al., 2017). Similarly, the popularity of the International Public Sector Accounting Standards (IPSAs), a brain child of the World Bank, across LDC such as Tanzania, Nepal and Sri-Lanka are indications of these countries' interest in subscribing to PS practices or models advanced by experts or professionals.

2.5 Performance measurement tools suitable for the PS

Some of the PS reforms reported in the literature assume the adoption of performance measurements. This study acknowledges the presence of different forms of PS reforms often referred to as “accounting management” or “financial accounting systems”. This study is limited to performance measurement reforms. The adoption of performance measurements in the public sector remains a topic of interest to the research community (Bourne, Melnyk, Bititci, Platts, & Andersen, 2014). This can be attributed to the fact that the impact and implementation of performance measurement reforms is yet to be understood as can be witnessed by inconsistent research findings despite more than three decades of research (Bourne et al., 2014). Furthermore, the adoption of performance measurements is non-linear; instead, it is a complex process that can continue for several years and is enshrined in different contextual factors (Arnaboldi & Azzone, 2010; Bobe et al., 2017; Sutheewasinnon et al., 2016).

Implementing a performance measurement may require restructuring the organizational structure of the PS, re-engineering business processes, enacting new rules and laws (Bobe et al., 2017; Goddard et al., 2016; Sutheewasinnon et al., 2016). Besides, the PS has its own complexities to deal with that include a lack of skills, diverse stakeholders and service, and difficulties in defining service targets (Arnaboldi & Azzone, 2010). For example, a lack of performance-measurement related skills and difficulties in setting targets complicated the adoption of the BSC in Ethiopia and Thailand (Bobe et al., 2017; Sutheewasinnon et al., 2016). Adding to all this is the fact that, some researchers question the viability of NPM, a Western idea, within the African context (Nyamori & Gekara, 2016).

Section 2.3 discussed different performance measurements. This section reviews selected non-financial performance measurements. Bourne et al. (2014) suggest that the SMART Pyramid, BSC and Performance Prism are some of the popular non-financial based performance measures. On the other hand, Ndlovu (2010) suggests that the BSC, Performance Prism model (PPM) and the Business Excellence model (EFQM) are popular non-financial performance measures to be taken in account. However, Striteska and Spickova (2012) categorically state that the most used non-financial performance measurements include the BSC and EFQM.

They went on to concede that the BSC, EFQM, the Performance Measurement Matrix, the SMART Performance Pyramid, the Performance Prism are the most commonly and widely cited performance measurements. It is important to realise that these performance measures assume different approaches. Sriteska and Spickova (2012) argue that the BSC and EFQM assume a structured approach to identifying targets and tasks to meet these targets. Moreover, the Performance Measurement Matrix, SMART Performance Pyramid, Performance Prism, Kanji Business Excellence Performance System, Theory of constraints are seen as competing or opposing the approaches assumed by the BSC and EFQM (Sriteska & Spickova, 2012).

2.5.1 The BSC

Kaplan and Norton first introduced the BSC in 1992. The BSC has received wide use in the public and private sector since its inception. The implementation of a BSC assumes a structured top-down approach that starts with the identification of an organization's vision and strategy. The implementation of the vision and strategy is fixed into measurable targets that are expressed into four perspectives, namely financial, customer satisfaction, internal business processes, and innovation and learning. Chan (2004) summarises this by stating that the BSC "translates an organization's mission and strategy into a balanced set of integrated performance measures." The process of implementing a BSC is done according to the following four stages:

- translating the vision and gaining consensus;
- communicating the objectives, setting goals and linking strategies;
- setting targets and cascading these to organizational departments and individual goals, allocating resources and establishing milestones; and
- providing feedback and learning (Kaplan & Norton 1996:105 in Chan, 2004).

Yadav, Sushil and Sagar (2013) went on to observe that the BSC has experienced various changes and adjustments after the year 2000. Some of the changes observed in the literature include defining additional stakeholders (Chan, 2004; Yadav et al., 2013) and defining own perspectives as done by the Thai Government (Sutheewasinnon et al., 2016) or defining additional perspectives (Chan, 2004). This, to some extent, explains why the implementation of the BSC is complex as reflected by pragmatic approaches

that characterized the Thai and Ethiopian Government's adoption of this performance measurement (Bobe et al., 2017; Sutteewasinnon et al., 2016). That said, it is important to realize that the BSC "is only as complete and competent as its designer" (Chan, 2004). As such, the BSC is often the most abused performance measurement (Yadav et al., 2013).

2.5.2 The EFQM model

The EFQM model is a registered trademark for the EFQM that was introduced in 1988 with the support of the European Organization for Quality (Ndlovu, 2010; Yadav et al., 2013). However, Striteska and Spickova (2012) are of the opinion that the EFQM was proposed in 1991. The model is popular among the European private and public business sectors (Striteska & Spickova, 2012). The EFQM can be seen as a self-assessment performance measurement that allows organizations to assess their activities towards the achievement of pre-specified goals. The model is based on eight key concepts, such as "results orientation; people development and involvement; customer focus; continuous learning, innovation and improvement; leadership and constancy of purpose; partnership development; management by process and facts; and public responsibility" (Striteska & Spickova, 2012).

Furthermore, the model has some nine-point criteria that are split into five enablers and four results (Ndlovu, 2010). The enabling activities include leadership, people, processes, policy and strategy; and partnerships and resources. A good performance of these activities enables an organization to deliver on its four key result areas that include empowering and motivating employees to deliver on goals, customer satisfaction, meet social responsibilities and delivers on business results such as revenue generation. EFQM is implemented using a continuous cyclical methodology that constitutes the following steps:

- "determine required results,
- plan and develop approaches,
- deploy approaches,
- asses and review achieved results"(Striteska & Spickova, 2012).

2.5.3 The Performance Prism Model (PPM)

The PPM was introduced in 2001 by Neely, Adams, and Kennerley. It is referred to as the second generation of performance measurements that proposes a different approach to that of the BSC and EFQM (Striteska & Spickova, 2012). The PPM comprises five facets, namely: stakeholder satisfaction, strategies, processes, capabilities, stakeholder contribution (Ndlovu, 2010) and assumes a bottom-up approach unlike the BSC and EFQM. When implementing the PPM, an organization starts by identifying key stakeholders (e.g. customers, employees, suppliers, regulators, the community and investors) and asking the question: what do these stakeholders expect from us? Once the assessment, evaluation and identification of needs are done, the organization should put in place strategies and business processes to meet the needs of the stakeholders. As such, the strategy needs to be measured to ensure that its implementation facilitates the achievement of stakeholder needs. Ndlovu (2010) suggested that the measurement of the strategy can be applied in the following ways:

- “To monitor strategy implementation.
- To communicate these strategies within the organisation.
- To provide incentives that lead to strategy implementation.
- To evaluate strategies (are they working?)”.

2.6 Chapter summary

This chapter started by defining key terms. It went on to explore different performance measurement tools and their evolution. Understanding the different performance tools was important for this study as it helped to identify those tools that are suitable for the PS. It was noted that non-financial oriented performance measurement tools are suitable for the PS as they assume a holistic approach to evaluating performance, something that suits the PS that has a wide range of goals. The literature argued that the adoption of reforms in PS is not as simple as it is in the private sector. There are certain pressures that force the PS to adopt reforms that include the adoption of performance measurement tools or systems. The IT was used to explain the different pressures that the PS is exposed to something that motivates the adoption of reforms. The chapter ended with an evaluation of performance measurements that are suitable for the PS.

The next chapter shall discuss local government. Focus will be on the local government structure and the adopted performance measures. This discussion shall be done at an international level and then narrowed down to the City of Windhoek.

Chapter 3 – The Local Government

3.1 Introduction

The Commonwealth Local Government Forum held in 2011 deliberated how African local government authorities can play a role in addressing some of the Millennium Developmental Goals (Wekwete, 2014). It is believed that support from the private sector, central government and other stakeholders can help local authorities promote local economic development – something that alleviates social problems like poverty. It is against this background that this chapter explores structures of local government authorities. The literature shows that African local government cannot be separated from the central government and developments during the colonial era as these influenced policy formulation and implementation (Andrews, 2011; Fjeldstad et al., 2005; Goddard et al., 2016; Nyamori & Gekara, 2016; Suteewasinnon et al., 2016).

As such, this chapter gives a global perspective of local government and goes on to explore characteristics of local authorities in Africa. Focus is on the structure of local authority, influential factors and the adoption of performance measurement tools. The Namibian government set-up is also discussed. The discussion looks at pre-colonial era, colonial and post-colonial era of the Namibian government. The chapter goes on to narrow its analysis to local authorities with a focus on the City of Windhoek (Municipality of Windhoek). An outlay of the City of Windhoek and the assumed performance measurement tools concludes the chapter.

3.2 The global perspective of local government

Over the years the issue of public sector performance has been scrutinized by several authors; that is, local government administration in particular (Kuhlmann, 2009; Suteewasinnon et al., 2016). This concern is strengthened by persistent pressure on local governments to effectively provide services to citizens, a condition which often leads them to devise strategies for improving their performance (Nyamori and Gekara, 2016; City Of Windhoek, 2017). Thus, the greatest challenge local governments around the world face are the rapid changes of the dynamics within their economies, something

that is associated with globalization. These pressures are due to global trends, and the effects are showing themselves mostly bluntly at a local government level and the extent to which policy-makers will be successful in responding to these complex challenges will depend upon local government flexibility and responsiveness.

Therefore, local government has since migrated from the traditional systems to these decentralized systems. The next sections give an overview of local governments with reference to examples from developed and developing countries. Britain and Germany's local government are used in this study to give a perspective of local government in developed countries. Britain is believed to be one of the leading countries in implementing reforms in local government while Germany provides a unique view of local government common in Europe that is comparable to other countries such as Sweden and France (Kuhlmann, 2010b). Germany was the first country to colonize Namibia and the British might have had an influence on local government in Southern Africa following its colonization of South Africa, Zimbabwe, Botswana and Zambia (Fjeldstad et al., 2005; Mutumba, 2013; Simon, 1985). The Westminster model has had an influence on local government systems of its other former colonies (Goddard et al., 2016).

3.2.1 The British local government

The British government employs a unitary system where the Queen or King is head of state while the Prime Minister is the head of government. In terms of the local authority, Britain has five different types of local authorities. These include the county councils, district councils, unitary authorities, metropolitan districts, London boroughs, towns and parish councils. In terms of the global ranking, the UK local government has made great strides.

The local government operations have been transformed by reforms that stretch across several decades. The transformation of UK local government dates back to the 1970s following the adoption of New Public Management (NPM) principles. Today, Great Britain is known for implementing strict performance measurements within its local authorities (Kuhlmann, 2010b). This can be attributed to a compulsory adoption of the "Best Value (BV) system in 1999 and Comprehensive Performance Assessment (CPA)

in 2002” which raised the standards of service delivery and efficiency of local authorities processes (Kuhlmann, 2010b). This suggests that the British government assumes a top-down implementation of its performance measurement in which the central government plays a key role in formulating and enforcing the performance measure on local authorities (Kuhlmann, 2010b).

The “performance indicators range over a scale of four degrees (outstanding/excellent, good, adequate, inadequate) that is calculated by specialist bodies or agencies (the Central Audit Commission, private monitoring agencies, auditors)” (Kuhlmann, 2010b, p. 334). Good performance is rewarded by the allocation of more resources while poor performance may lead to the removal of councils who are then replaced by specialists to oversee the operations of the local authority. The resulting effect is that councils across UK have transformed the way service is delivered. This is seen through shifts by local councils from being service deliverers to taking on the role of community leader. Local authorities understand their local areas like no other organization and take on the central role in bringing together partners to determine priorities and meet local needs. Thus, usage of the Local Strategic Partnerships has the opportunity for key stakeholders to come together and collaborate on key issues affecting their communities.

3.2.2 Germany local government

German assumes the position of a Federal Republic as stated in the constitution adopted in 1949 (Wollmann, 2000). German government can be split into federal states and the Länder government is responsible for the local government. Germany’s local government is made up of municipalities and the countries (rural areas). The Länder government is responsible for defining boundaries of municipalities. There are suggestions that municipalities are determined by the population size (Kuhlmann, 2010b). However, this use of population size is not consistent across all Germany municipalities. Some local government assume characteristics of Northern Europe-UK- where, on average, a municipality may constitute close to fifty thousand inhabitants (Kuhlmann, 2010b). Other Germany local governments display the characteristics of Southern Europe, such as France, where, on average, a municipality may have less than seven thousand inhabitants (Kuhlmann, 2010a). It is believed that the Länder

government did not wish to mix different communities, hence the disparities in the population size of municipalities.

The municipalities are led by an elected mayor. These municipalities enjoy total autonomy from the central government, though the municipality may play a role in implementing government policy. It is important to realise that German local authorities have been experiencing restructuring since the 1960s with the aims of enforcing planning and evaluation mechanisms (Wollmann, 2000). This saw the creation of new units and adjustments of policies to accommodate the restructuring process. Interestingly, German local government is among the first to restructure its municipalities though the process was jeopardised by an economic recession that occurred in the year 1973, triggered by an increase in the oil price (Wollmann, 2000).

Moreover, the recession of 1973 forced United Kingdom, New Zealand and many others to adopt the New Public Management (NPM) framework within their municipalities, a move that was encouraged by the leading institutions such as the World Bank. Germany was reluctant to adopt the NPM due to a lack of empirical evidence supporting the model's effectiveness. However, poor performance of German cities compared to those that adopted NPM principles forced Germany to adopt the NPM late in the 1990s. Germany's NPM was implemented through the New Steering Model (NSM) that was adopted by approximately 82% of the local authorities (Kuhlmann, 2010b).

The adoption of NSM was complemented by the adoption of a performance measurement, named the output-oriented steering and performance management by German's local authorities. When compared to performance measurement tools of other countries at the time, Germany's performance measurement system was seen to be comparable to that of France (Kuhlmann, 2010a) and it appears to be an opposite of the one adopted by Great Britain. Thus, the performance measure assumed a bottom-up approach in which the local authorities steered its implementation. Focus was on easily quantifiable outputs and costs, and the local authorities were given the right to decide whether to publish results or report performance results (Kuhlmann, 2010b). This is quite the opposite of what is being done in the UK, USA and Canada. In particular to the USA, legislative requirements mandate local authorities to report their annual

financial and non-financial performance (Chan, 2004). Furthermore, German local authorities are not penalized for poor performance.

3.3 The context of local government in developing countries

This section explores local government of South Africa and Tanzania. Namibia is a former colony of South Africa. It would be interesting to reveal South Africa's influence on Namibian local government authorities during and after the colonial era. Tanzania, a former British colony, was considered in this study to further explore the influence of colonial masters on local government authorities. The overview of Tanzania's local government authorities goes on to explore the implementation of performance measurement tools.

3.3.1 The South African local government

The South African local government has also undergone several phases of reform since 1994. The focus has always been on undoing the apartheid legacy and deracializing municipalities, and subsequently on stabilizing and consolidation of structures and systems (Koma, 2010)). Hence the history of local government is twofold: Apartheid local government and Post-apartheid.

- **Apartheid local government.** The entire system of local government before 1994 was defined by race to such an extent that in 1977, the local-level structures for the natives were merely advisory or administrative. Although a system of elected community councils was introduced in 1977, the councils remained segregated from those for selected white population groups with some racial groups of mixed race and those of Indian descendants having merely advisory functions and were devoid of any significant power and resources (Atkinson, 2002). In 1982, they were replaced by new black local authorities, which had elected councils and some administrative capacity but still worked closely with the administration boards (Department of Constitutional Development, 1997).

- **Post-Apartheid era.** With the removal of the apartheid system came changes and new structures in the local government. Under the 1993 Local Government Transaction Act (LGTA), new interim municipal structures were formed, structures provided for the sharing of resources across racial boundaries. The 1995/6 municipal elections resulted in 843 transitional municipalities; these structures were in place for three years.

The LGTA provided for a two-tier framework; that is, in metropolitan areas, the two tiers were primary local governments with overarching metropolitan councils.

As time passed, they established six metropolitan councils, incorporated urban and rural areas in the same primary and district structures outside the six councils and reduced the overall number of municipalities from 843 to 283 and 284 until February 28, 2006.

3.3.2 Tanzania local government

Tanzania attained her independence from Britain in 1961 and went on to adopt a one party-state policy until 1992. Tanzania's local government authority went through changes that, at first, saw a complete elimination of local government in 1972. This was followed by the reinstatement of the local government in 1982. The reinstatement of the local government was accommodated by amendments to Tanzania's constitution in 1984 that led to the establishment of a "city, municipal, town and district councils" with "devolved political, financial and administrative powers to these local government authorities" (Goddard et al., 2016). The activities of the central government and local authorities are guided by a national vision, Tanzania Development Vision 2025, that was adopted in 1995. Councils are governed by elected councillors and a Director, an appointee of the line Minister, is responsible for daily operations of the council "in consultation with the Local Government Service Commission" (Goddard et al., 2016). Service provision by the local authorities in Tanzania include health services, primary education, infrastructural services, agriculture related services, environment management, water supply, sewerage management and empowerment through training and providing lines of credit to small-scale traders. As such, local authorities are accountable to the Prime Minister and, Regional Administration and Local Government.

Tanzania has a poorly performing economy and rely on donor agents and international financing institutions like the World Bank and International Monetary Fund to sustain her operations (Goddard et al., 2016). In order to portray an image of transparency and accountability to her funders, the Tanzanian central government adopted a NPM framework in which performance budgeting, cash budgeting and medium-term expenditure framework were adopted. This is a common trend among different developing African countries such as Kenya, Ethiopia and Asian countries like Thailand that adopted various performance measurement frameworks with the idea of reflecting accountability to their financiers (Bobe et al., 2017; Nyamori & Gekara, 2016).

Tanzania assumes a top-down performance measurement implementation where the Regional Administration and Local Government guide local authorities in implementing the performance measurements in line with related Ministries. For example, the Ministry of Health will influence the design of performance measurement tools that the Regional Administration and Local Government should impose on a local government's health service delivery. An independent body, the Local Authority Accounts Committee (LAAC), ensures that the local government is performing its duties in line with envisaged performance indicators. To incentivise the local authorities, the central government and donor agents will reward the local authorities with additional grants in the event of their meeting the minimum conditions and performance expectations.

3.4 The Namibian government

This section discusses Namibia's government. The Namibian government is reviewed with respect to the pre-colonial era, during the colonial era and post-independence.

3.4.1 Pre-colonial era

The exercise of leadership before the colonial era resembles traditional leaders exercising, performing powers and duties in terms of political and administrative decision making. The administrative structures were mostly of a dynastic nature as evidenced in the contentions of Totemeyer (2001) cited in Sinvula (2005:35) who

alluded that, “all the political, administrative, economic, social, military and religious authorities were vested in the traditional leadership without separation”. However, the dynasty does not mean there was no separation of power. One can conclude that the current local government in Namibia mimics the ancient structures in a modernized manner. The traditional social, political, economic and administrative structures have also resembled some decentralized structures of governance though the veto powers remain with the royal members.

Sinvula (2005: 38) argues that, even though traditional leaders performed almost similar duties across the board, “it is not correct to generalize that there was no separation of powers and responsibilities in all communities”. Here the issue emanates from the fact that the leadership of the ancient times did not cover the whole nation but became tribal in the sense that each community would have its own structures. A good example was provided by Sinvula (2005: 38) who, in his research, alluded to the evidence that, “in Caprivi, traditional structures were more decentralized because there were and still are villages, districts and main khuta structures at different levels of administration”, but this does not apply to all structures across communities.

3.4.2 Namibia government during the colonial-era

Namibia, formerly South West Africa, was a Germany colony before its colonisation by South Africa in 1918 until 1990 (Wiechers, 2010). During the colonial era when governed by South Africa, Namibia was exposed to the apartheid rule. A South African appointee, the Governor-General and the Administrator were entrusted with the administration of Namibia while the main decision making was done in Pretoria, South Africa. Of importance to the South African government was the protection of its interests in Namibia. As such, the South African apartheid government extended its Bantustan policies to Namibia (Wiechers, 2010). This saw Namibia assuming a three-tier administration government set-up. At the top was the central government led by the Administrator-General followed by the regional government and local government. The Bantustan policies divided the population according to race. As a result, the three-tier government set-up hardly existed in the Bantustans or homelands-rural communal areas (Mutumba, 2013). Instead, the Bantustans were governed by the Traditional Authorities under the homeland government (Mutumba, 2013). This structure predominantly

characterised Namibia even during the late 1970s to the 1980s when South Africa was pressured by the United Nations to transfer executive powers from Pretoria to Windhoek (Simon, 1985). Another significant mark of the colonial era is the Red Cordon Fence that was erected before 1918. The Red Cordon Fence was used to divide the country into northern (dominated by Bantustans) and southern Namibia (dominated by urban settlements).

This study focuses on local government. As such, it is important to explore the effects of colonialism on local government in Namibia with a focus on Windhoek. The literature suggests that the Namibian local government during the colonial era could be divided into municipalities small urban settlements and villages (Fjeldstad et al., 2005; Mutumba, 2013; Simon, 1985). It is important to realise that these administrative structures only existed along racial lines. This was clearly reflected in the Municipal Ordinance, Number I3 of 1963, that applied to a community of the white population and mixed race segments while settlements of the natives were guided by other statutes like the Proclamation, Number 56 of 1951 (Simon, 1985). Accordingly, large urban areas that were south of the Red Cordon Fence, Windhoek included, were operated by Municipalities.

Small urban areas to the north of the Red Cordon Fence and formal urban settlements in the Bantustans or homelands were managed by a village advisory board that was set up by the central government (Fjeldstad et al., 2005). “Urban settlements with village status were run by village secretaries with funding coming directly from central government (in the case of non-‘Bantustan’ urban settlements) and funding from the homeland government (in the case of formal and formalised urban settlements situated in Bantustan areas)” (Fjeldstad et al., 2005).

In addition to the existence of local authorities across racial lines, the structure and operations of these local authorities were guided by Bantustan policies. With reference to the Windhoek municipality, different administrations were established across racial lines namely the natives or black population, those of mixed race and the white population. For example, Katutura, a settlement in Windhoek dominated by the natives, had its own Department that oversaw service delivery while Khomasdal, a mixed race-dominated settlement was administered by the City Secretary's Department, a position

that had a legal status (Simon, 1985). In addition, the colonial rulers had their own elected White City Council. Of these three groups, it was the White City Council's Management Committee that had the power to formulate policies and allocate resources within Windhoek.

Even though the natives (Katutura Advisory Board) and mixed-race community (Khomasdal Consultative Committee) had representative boards to influence policies and resources allocation, their contributions were often overlooked by the Management Committee. Once all decisions had been made, the day-to-day operations of the Municipality were overseen by a powerful Town Clerk (Simon, 1985). The roles of the municipality were to provide income-generating services such as water and electricity distribution; non-income generating services that included sewerage; cemeteries; health; urban planning; building, the buying or letting of properties and many others (GoN, 2009; Kuusi, 2009). Provision of these services to the populace were distributed according to different racial lines. Informal settlements on the outskirts of Windhoek were not given any service by the Municipality as they were seen to be part of the Bantustans (Fjeldstad et al., 2005; Tötemeyer, 2006). As such, they were serviced by the Traditional Authorities under the homeland government (Kuusi, 2009). Similarly, urban dwellers who settled in "urban centres were equated with 'illegal squatters from the homelands', who were not entitled to service delivery within the borders of formal urban areas" (Fjeldstad et al., 2005). The policy then was to make urban areas unattractive for those in Bantustans through poor service provision. It can be assumed that the performance measurement tool at the time was meant to frustrate the natives from migrating to urban establishments and making sure that funds raised through tax and rentals from the local industry were used for service provision in areas dominated by a white populace.

3.4.3 The Namibian government post-independence

After independence, Namibia went through a reorganisation of its government that saw a full integration of all communities across the racial divide into one governance system. A three-tier government system was adopted with everyone included, unlike during the colonial era (Fjeldstad et al., 2005). The three-tier government system comprises the central government, regional councils and local authorities. At central

government level is the President with executive powers and two houses of parliament while regional councils are responsible for the governance of Namibia's thirteen regions. Each regional council is led by an elected governor. Regional councils are responsible for advising the President and the central government on matters relating to the regions (Fjeldstad et al., 2005; Kuusi, 2009). Furthermore, regional councils are responsible for service delivery in rural areas. The third tier: local authority is responsible for service delivery in urban areas (Fjeldstad et al., 2005). Local authorities are mandated by the Local Authority Act of 1992 and its numerous amendments. Tötemeyer (2006) states that local authorities reflect a local system that represents a community. It should be noted that these local authorities are autonomous and do not form part of the regional councils and neither are they subordinates of the regional council.

Namibia's Local Authority Act of 1992 identifies three different types of local authorities, namely a village, town and municipality. These different types of local authorities mainly differ in terms of the extent to which they rely on the government for financial support. The municipality is the highest level any local authority can attain. As such, municipalities are seen as the most autonomous form of a local authority which rely on its own financial resources to support its operations (Fjeldstad et al., 2005; Tötemeyer, 2006). The Namibian Local Authority Act of 1992 goes on to state that the central government has the authority to establish a local authority. These local authorities are considered independent bodies that operate under the supervision of the Ministry of Regional Local Government and Housing (MRLGH). However, the Namibian constitution does not specify the scopes of power and authority that should be given to the local authorities. As such, it can be argued that there is no total independence between local authorities and the central government; rather there is some sort of a partnership between the two. The next section gives an overview of the different local authorities.

3.4.3.1 An Overview of Namibian Local Authority

Namibian local authorities are established by a line Minister (Republic of Namibia, 2018). Similarly, the Minister has the authority to downgrade a town to a village status or confer on a municipality the status of a town. As indicated earlier, the municipality

is the highest level a local authority can attain. Municipalities are governed by at least seven but not more than fifteen elected council members (Government of Namibia, 2009). The line Minister has the authority to decide the actual number of councillors to be elected. Municipalities can be categorised into two, namely Municipality Part I and Part II. An urban settlement can be established as a Municipality Part I if the settlement can fund all its operations. Such a municipality can decide on the property tax and secure its own funding through loans without any interference from the line Ministry or government. There are only three municipalities that fall under the category of Municipality Part I in Namibia. These include the Windhoek, Swakopmund and Walvis Bay municipality (Government of Namibia, 2009).

Municipality Part II are those municipalities that are not financially stable and cannot afford to fund all their operations. Such municipalities rely on the central government and donor agents for extra income. Hence, these municipalities do not have full control over property tax and cannot secure loans without consultations with the line Ministry (Government of Namibia, 2009). In addition, the Minister has the responsibility of approving or not approving the expenditure of a Municipality Part II when relating to funds secured from the government. There are fifteen municipalities that fall under the Municipality Part II category in Namibia.

An urban settlement is given the status of a town council on the condition that it can pay for some of its own operations. As such, town councils rely on the central government and donor agents for funding. Town councils can be governed by at least seven (7) but not more than twelve (12) elected councillors. It is at the discretion of the line Minister to decide on how many councillors should be elected. There are thirty (30) urban settlements with town council status in Namibia. The Local Authority Act of 1992 goes on to state that settlements that are given the status of a Village council are those settlements that can perform specific mandatory functions. However, there are no financial requirements for villages stipulated in the Act.

3.4.3.2 The organisation and roles of local authorities

The Local Authorities Act stipulates that a municipality and town council should be led by an elected mayor. As such, all elected councillors are required to elect a mayor and

his/her deputy amongst themselves. Furthermore, elected council members of the municipality and town council are required to elect a team that will constitute the management committee from amongst themselves. The management committee deliberates on council affairs, participates in policy formulation, prepares income and expenditure pending approval by council members and oversees the implementation of council decisions. Furthermore, municipality and town councils are required to hire a Chief Executive Officer that are formally known as town clerks while villages will have village secretaries. Town clerks are responsible for the day-to-day operations of the municipality and town council. They oversee the activities of different departments within the council. The Local Authorities Act stipulates that municipalities and town councils are expected to perform activities summarised in Table 1.

It should be noted that the operations of Namibian local authorities are subject to independent review for accountability and transparency purposes. Institutions that include the Ombudsman, the Auditor General's Office and the Namibian Financial Institutions Supervisory Authority (NAMFISA) are by law required to periodically review the activities of local authorities. It is with regard to this that some municipalities such as the City of Windhoek have implemented a performance measurement framework to help enhance the management of limited resources in the process of service provision to the public.

All local authorities	Towns and municipalities (plus villages with the Minister's consent)	Only municipalities (plus villages and towns with the Minister's consent)
<ul style="list-style-type: none"> • Water supply • Cemeteries • Sewerage and drainage • Streets and public places • Markets • Refuse disposal • Pounds • Bands and orchestras • Beautification of local areas • Promotion of tourism • Power to accept donations from sources inside Namibia • Power to buy and sell land and buildings • Power to set fees for services provided • Power to operate farms on town lands 	<ul style="list-style-type: none"> • Supply electricity and gas • Dipping tanks • Ambulance services • Fire brigades • Construct and maintain community buildings and structures • Power to buy and sell property other than land and buildings 	<ul style="list-style-type: none"> • Public transport • Quarries • Housing schemes • Museums and libraries • Abattoirs • Aerodromes • Plant nurseries • Parking areas • Railway sidings • Traffic services • Bursaries • Storage of perishable goods (goods which may spoil) • Power to confer honours for services to community • Power to enter into joint business ventures • Power to privatise functions and services

Table 1: Roles of towns and municipalities in Namibia (Ministry of Regional and Local Government, Housing and Rural Development 2008b in Kuusi, 2009, p. 127).

3.5 The City of Windhoek

The previous sections gave a broad understanding of how municipalities in Namibia and across the globe are structured so as to establish a basis for the choice of performance measurement tools that could be used. This section gives a brief account of the selected case of the City of Windhoek. Windhoek is the capital of Namibia and most of the public management planning, coordinating and national strategic decisions are made in the city. As the capital of Namibia and the only proclaimed city, Windhoek is the seat of the legislative, executive and judicial arms of government (City Of Windhoek, 2017). The city has a population of approximately 400 000 making Windhoek among the smallest capital in the world (City of Windhoek, 2016). Windhoek was given municipal status in 1909 and proclaimed a city in 1965. Despite its size, Windhoek offers modern city amenities and necessities to international visitors and locals. It is also the hub of the nation's business activities drawing a significant number of local and international business arrangements and significantly influences the functions of other smaller towns since it has most, if not all of the government administrative buildings, where national decision making and planning processes occur (City of Windhoek, 2016).

3.5.1 The City of Windhoek and adopted performance measurements

The adoption of performance measurement instruments by the City of Windhoek can be traced back to the years before 1998 when the City adopted a mere performance appraisal system (Angula, 2012). The performance appraisal was scheduled to be done twice a year. This practice was suspended after a restructuring exercise that took place in 1998 (Angula, 2012). The City of Windhoek had no institutional mechanisms in place to monitor, measure and evaluate its performance until the year 2005. In 2005, the City of Windhoek adopted a performance measurement tool that was based on the BSC. The City of Windhoek's adopted BSC had four themes as shown in Figure 2. Since 2005, the City of Windhoek has proposed two separate periodic strategic plans that guide the operations of the City and the use of a performance measurement system. These strategic periodic plans to date include the Integrated Business Plan (IBP) for the

years 2011 to 2016 and a strategic transformational plan for the years 2017 to 2022. These two phases are discussed next.

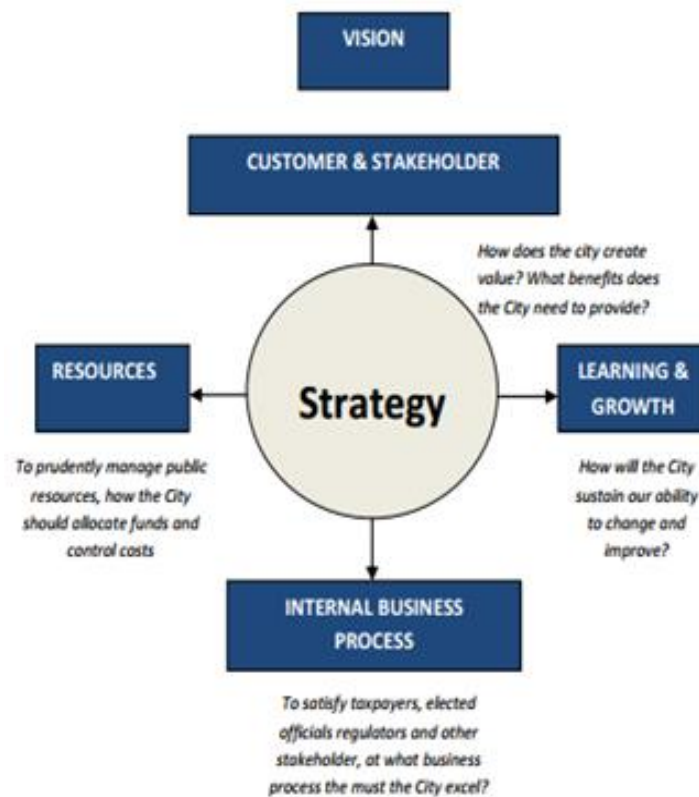


Figure 2: The City of Windhoek balance scorecard (City of Windhoek, 2005 in Angula, 2012).

3.5.1.1 The introduction of a performance measurement tool

The performance measurement adopted by the City of Windhoek in 2005 had four themes. These themes related to customer and stakeholders, resources, learning and growth, and internal business processes. This ensured the creation of a system of linked strategic thrusts, strategic objectives, measures, targets and initiatives which collectively describe the strategy of an organisation and how that strategy can be achieved. The implementation of the new performance management tool in the City of Windhoek was divided into two phases namely a *pre-implementation* and an *implementation phase* as indicated in Figure 3 (Angula, 2012). The communication of the City's vision, strategic objectives, cascading of departmental objectives and the alignment of job descriptions in line with the new performance management system were done during pre-implementation. The implementation phase was characterised by

entering into performance agreements, individual development plans, performance reviews, performance appraisal and recognition.

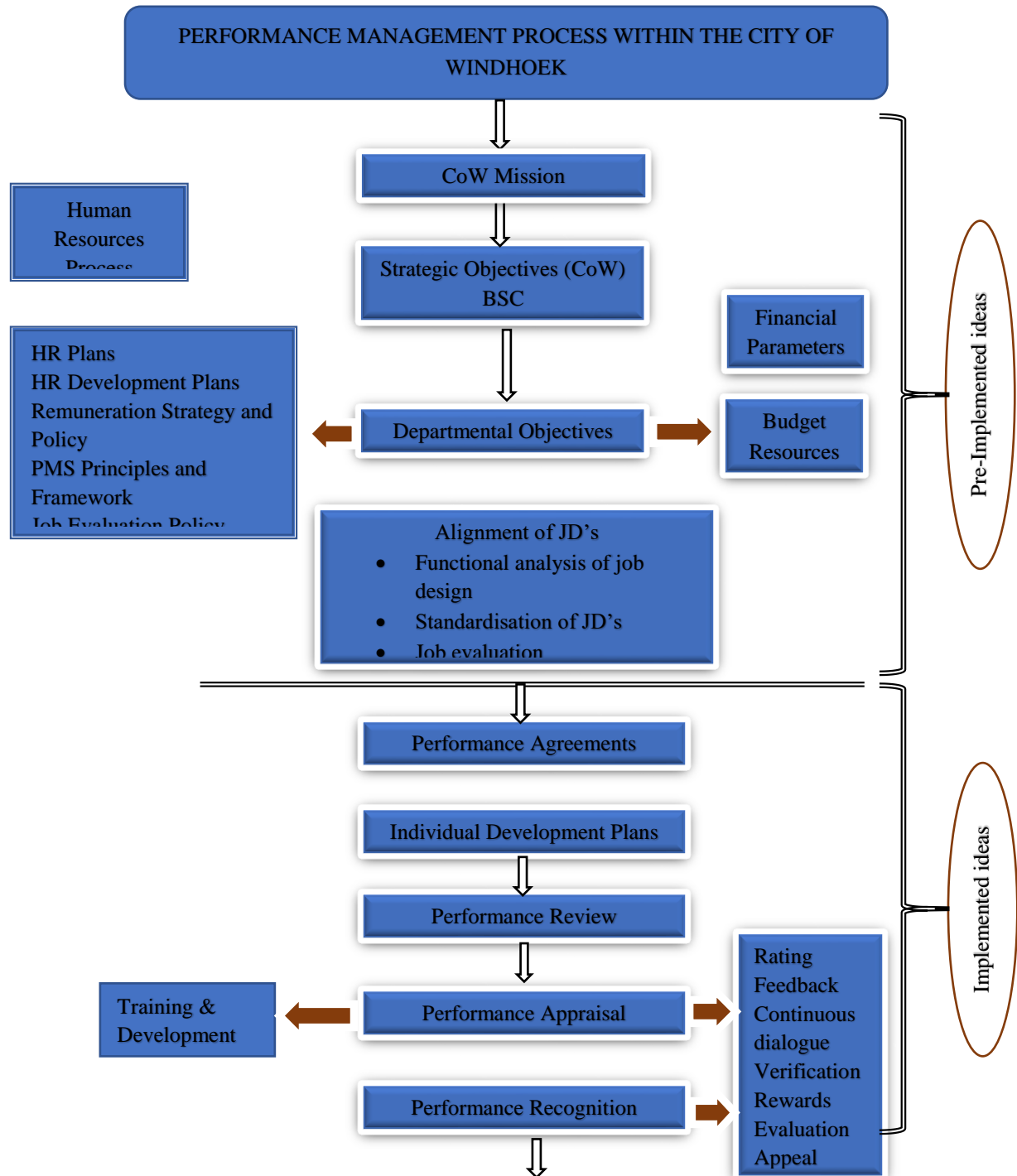


Figure 3: Performance management process of the City of Windhoek (City of Windhoek, 2005 in Angula, 2012).

The impacts and effects of the performance measurement tool on the City of Windhoek are not clear. Little or no reports could be found. The next notable development was the introduction of the IBP that guided the performance of the City of Windhoek from the year 2011 to 2012.

3.5.1.2 The strategic transformational plan period: 2017 to 2022

The City of Windhoek promulgated a five-year strategic transformational plan for the years 2017 to 2022. The plan aims to steer Windhoek towards its vision: *“To be a Smart and Caring City by 2022”*. The objectives of the strategic plan were informed by the national vision 2030, a 5th periodic National Development Plan and one of the national strategic plans: The Harambe Prosperity Plan (City Of Windhoek, 2017). The City of Windhoek strategic plan replaced the IBP. The IBP had a vision: *“To enhance the quality of life of all our people”*. The City of Windhoek (2017) acknowledge facing challenges such as limited financial resources and a drop-in the water levels of Windhoek’s reservoirs following a drought in 2016 during the IBP era. To the best of the researcher’s knowledge, there are no published reports on the performance of IBP. This could be explained by the fact that some municipalities have control over the publication of performance and can opt to keep the results internally (Kuhlmann, 2010b). However, the City prides itself in taking reactive action that saw a continued supply of water following the President’s intervention.

The adoption of the performance measurement follows a bottom-up approach as the City of Windhoek took a leading role in defining objectives and measures in consultation with other key stakeholders like the Regional Council. This may suggest the possibility of a lack of a supportive legislative framework from the central government. Nevertheless, the five-year strategic transformational plan reflects adjustments to the original BSC structure that was initially proposed during IBP. In addition to a new vision, a mission statement for the City of Windhoek was proposed. The mission of the City of Windhoek is: *“To enhance the quality of life for all our people by rendering efficient and effective municipal services”*. Furthermore, the City values teamwork, customer focus, communication, fairness and equity and, integrity. The strategic plan goes on to identify two themes that are enshrined in one of the

national development plans: Harambe Prosperity Plan. The identified themes were as follows:

- ***Governance and financial sustainability:*** This theme focus on ensuring that the “City is well governed and financially prudent while unlocking institutional strength and capacity” (City of Windhoek, 2017: 27). This theme arguably focuses on the internal business processes, learning and growth (leadership development) and financial perspective of the BSC. The theme has ten strategic objectives. These strategic objectives have twenty-four Key Performance Areas (KPA).
- ***Social progression, economic advancement, infrastructure development:*** “This theme seeks to ensure that the City is productive, inclusive and sustainable through rendering access to urban services, socio-economic opportunities, spatial inclusiveness, quality urban environments and a vibrant city life” (City of Windhoek, 2017: 50). This theme focuses on the customers' or stakeholders' perspective of the BSC. It has seven strategic objectives and eight KPA.

The City of Windhoek (2017) goes on to state that, for each strategic goal, five-year targets were set. These targets were cascaded across a five-year lifespan of the strategic

plan. Furthermore, the KPA were cascaded to different departments and units within the City of Windhoek. However, no further details were given on cascading Departmental performance areas and targets. Figure 4 shows the organisational structure assumed by the City of Windhoek as it adopts the latest strategic plan.

In particular to monitoring and evaluation, the City of Windhoek indicated that reports on organisational and financial performance shall be done on a quarterly basis. There is no clarity on the departments responsible for performing the monitoring and evaluation. It is also not clear whether there will be any punitive measures for failure to meet targets or rewards for meeting targets. However, it should be noted that this is a transformational process, hence; the City is probably going through a phase of laying out all the needed structures. The literature suggest that the adoption of the BSC may take a long time due to a lack of skills, limited resources and an unfriendly environment as reflected by resistance from employees (Bobe et al., 2017; Sutheewasinnon et al., 2016).

3.6 Chapter summary

The chapter explored characteristics of local governments from a global and continental perspective. On a global level, there are notable differences in government set-ups; ways of measuring local government performance have been adopted at international level since the 1970s. However, there is no consistency in the structures and approaches to adopting ways of measuring local government performance. For instance, the British system assumes a top-down approach while Germany assumes a bottom-up approach to measuring its performance. At a continental level, former colonial masters influenced the adoption of ways of measuring performance. Most methods were adopted after the year 2000 and local governments are yet to fully adopt these methods of measuring performance. A number of restructurings are still ongoing as local authorities adopt various performance measurement tools. The observed countries such as Thailand, Kenya, Tanzania and Ethiopia assumed a top-down implementation of their performance measurement tools. This may suggest that the central government played a critical role in the restructuring exercise while promulgating a supportive legislative framework. Unlike these countries, the City of Windhoek appears to be adopting a bottom-up implementation of a performance measurement. The City of Windhoek adopted a BSC as its performance measurement tool. The tool was adopted anchoring on national developmental goals.

Chapter 4 – Research Methodology

4.1 Introduction

This study employs a BSC to evaluate the performance of the City of Windhoek. In addition, the study seeks to establish the impact of the BSC on the performance of the City of Windhoek. Accordingly, this chapter adds to the study by explaining a research methodology that was used to meet the research objectives. As such, the four main elements of the research process with reference to this study's "epistemology, theoretical perspectives, methodology, and methods" are explained (Crotty, 1998 in Yilmaz, 2013: 312). The chapter goes on to explain measures that were taken to ensure the validity and reliability of the methodology. An overview of ethics considerations concludes the chapter.

4.2 Research design

Yin (2003: 21) is of the view that a research design is a logical plan for getting from here to there; where "*here*" can be seen as the initial set of questions to be answered and "*there*" is a set of conclusions (answers) to the questions set earlier. In particular to this study, chapter one identified the research question(s) for this study. The research question was set-out as follows:

What is the impact of the BSC on City of Windhoek's performance?

There are different research methodologies. Quantitative and qualitative research methodologies, often seen as based on opposing philosophical views and beliefs, are the most commonly used research methodologies (Collis and Hussey, 2009: 61). This study uses a quantitative research methodology. Yilmaz (2013: 311) defines a quantitative research methodology "as a type of empirical research into a social phenomenon or human problem, testing a theory consisting of variables which are measured with numbers and analysed with statistics in order to determine if the theory explains or predicts phenomena of interest". Accordingly, this study uses a tried and tested framework, the BSC, to evaluate the performance of the City of Windhoek. The

next section discusses how this study used secondary and primary data to meet the research questions in line with the quantitative research methodology.

4.2.1 Secondary research

There are suggestions that the existing theory and literature are important as these help shape the initial constructs in the study and potential outcomes (Barratt, Choi, & Li, 2011; Yin, 2012). As such, secondary data in the reviewed literature was used to establish different performance measurement tools and their use in the public sector. Factors influencing the adoption of performance measurements were explored. The literature review went on to explore the impact of these factors on local government authority performance. In addition, the literature review explored local government authorities and their use of performance measurement tools. There is a lack of consistency in the strategies adopted by local authorities when applying performance measurements. However, an overview of the City of Windhoek shows that the City adopted a performance measurement tool that is grounded in the BSC. While the constructs and implementations of the BSC by the City of Windhoek are clear, the impact this performance measurement has had on the City remains unclear. Accordingly, the secondary research helps define the key constructs of the BSC that should be looked at when evaluating the performance of the City of Windhoek.

4.2.2 Primary research

This study gathered primary data to evaluate constructs identified in the secondary research. The application of the quantitative research methodology was guided by a research onion (Saunders, Lewis, & Thornhill, 2009). Saunders et al.'s (2009) research onion is a framework that identifies key concepts that should be explained when applying a research methodology. These include the research philosophy, approach, strategy and, techniques and procedures. These key concepts are explained next within the context of this study.

4.2.3 The research philosophy

This study assumes a positivist philosophy. Johnson and Clark (2006) in Saunders et al. (2009) argued in favour of stating philosophical commitments of a study as this has an effect on how a researcher understands and reflects on the phenomenon being studied. The positivist philosophy assumes an objective epistemology. As such, quantitative research methodology argues that the truth is out there and can be extracted independently of the researcher to become universal laws (Yilmaz, 2013). This proposition is in sharp contrast from an interpretivist philosophy (qualitative research) that argues that humans are not mechanistic; as such, they have multiple realities which need to be understood within a context (Le Roux, 2005). This study acknowledges possible contextual effects; however, it has to be acknowledged that the BSC and other performance measurement tools have been in use for nearly thirty years. Hence, the constructs of the BSC have received wide validation within the public sector something that supports the use of an objective philosophy.

4.2.4 Research approach

There are arguably three research approaches, namely abduction, deduction and induction. This study assumes the deduction research approach. Eisenhardt and Graebner (2007) suggests that a deductive approach is used to test existing theories using observations from new cases or contexts. Similarly, Yilmaz (2013) points out that quantitative research makes use of a deductive research approach in which existing theories or hypothesis are tested. Accordingly, this study uses the deduction approach to extend the understanding of an existing framework (BSC) within the context of the City of Windhoek. In particular, this study evaluates the performance of the City of Windhoek using a BSC. It also seeks to establish the impact of the BSC on the City of Windhoek.

4.2.5 Research techniques and procedures

This section presents the procedures that were followed during data collection and analysis. It starts with the identification of the population that was considered for the study. This is followed by defining the research sample; an overview of the data

collection instrument and the administration of data collection. Data analysis concludes the section.

4.2.5.1 Target population

The population is made up of all the objects that the researcher wishes to learn about. This study defines its population as employees at the City of Windhoek who are either employed permanently or employed on a contractual basis with a fixed term. The study aims to evaluate the performance of the City of Windhoek; hence, employees at the City who play different roles in service delivery were considered suitable for this study. These include those in management position and ordinary employees. The City of Windhoek has its offices distributed across the City and employs more than one thousand employees. Figure 4 in chapter three gave an overview of the City of Windhoek's management structure to oversee the strategic transformation plan from 2017 to 2022.

4.2.5.2 Target sample

It is often impossible to consider the whole population during data collection. Hence, a sample is selected to represent the whole population. A sample is considered representative when it has the similar attributes of the target population from which it was selected (McMillan & Schumacher, 2010). Gomm's (2008:146) guideline on establishing a sufficient sample size for each population size was used to determine a suitable sample for this study. According to Gomm (2008:146), a suitable sample for a population of 2000 objects is 322 units. Hence, with a population of approximately 1000 employees, a sample of 50 employees was considered suitable for this study. While the City of Windhoek has a population of 1000, the study focused more on experts or experienced employees according to the number of years in their positions. These include those in management and supervisory positions, and some general employees with at least 12 months of work experience at the City of Windhoek. This reduced the overall target population to approximately 130 employees.

Once the sample size was determined, it was also important to determine a sample selection criterion for each respondent. A study can use probability or non-probability

sampling methods when selecting respondents. This study used a probability sampling method; simple random sampling; to select respondents who participated in the survey. Using a probabilistic sampling method gave each potential respondent an equal chance to be considered and therefore eliminated bias towards the selection of respondents.

4.2.5.3 Data collection instrument

The conduct of this study's survey was done using a questionnaire as a data collection instrument. The questionnaire was generated with guidance from the literature review. In addition, an existing questionnaire on evaluating the BSC by Kiragu (2005) was used to guide the design and wording of the questionnaire that was used in this study. The questionnaire is split into two Sections: A and B.

Section A gathered data on demographic information about participants. Section B evaluated the use of the BSC by the City of Windhoek. Questions one to three of Section B gathered data to establish if the City of Windhoek employees are aware of the use of a performance measure within the organization or department. Question four goes on to establish if employees were engaged during the formulation of the performance measurement. In addition, question five gathered data for ascertaining the communication channels adopted by the City of Windhoek during the implementation of the performance measurement system. Question six gathered data to establish the setting of any goals or targets as required by the BSC. Question seven goes on to gather data for ascertaining if employees felt that they were meeting their targets.

Section B's question eight and nine gathered data to establish the perception of respondents on why the City of Windhoek adopted a performance measurement system. Respondents were also asked to indicate if there were any deficiencies in the current performance measurement. Question ten to thirteen goes on to evaluate the inclusion of the four perspectives of the BSC in the City of Windhoek's performance measurement system. A copy of the questionnaire is attached in Appendix A.

4.2.5.4 Data collection administration

Data collection started with a request for permission to distribute the questionnaire to the City of Windhoek employees. A designated liaison officer in the Human Resources Department at the City of Windhoek was engaged. Permission was granted and a formal letter was issued. Appendix B shows the letter of permission to conduct a survey at the City of Windhoek. The distribution of the questionnaire commenced after permission was secured. The questionnaire was self-administered. Potential respondents were given hard copies of the questionnaire to complete. Each participant was given five days to complete the questionnaire. Follow-ups were done after five days of issuing a copy of the questionnaire. In most cases, it took several follow ups to get completed copies of the questionnaire from the respondents. This was due to several reasons; among them, was the fact that respondents took long to complete the questionnaire. It was also noted that some of the respondents were of semi-fixed abode as they often went out into the field, something that made it difficult to locate them.

4.2.5.5 Data analysis

Descriptive statistics were used to analyse the data. These included pie charts and bar graphs. These techniques were suitable for this study given that the study gathered descriptive data. To interpret descriptive statistics, the focus was on establishing the categories of data that had “the most and whether cases are spread evenly between categories” (Morris 2003 in Saunders et al., 2009: p. 418).

4.2.5.6 Reliability and validity

Yilmaz (2013) defines reliability as the consistency or “degree to which a research instrument measures a given variable consistently every time it is used under the same conditions with the same subjects” (p. 318). In addition, validity refers to the extent to which the instrument has gathered accurate data to measure the phenomenon. To ensure validity and reliability of data collected using the data collection tool of this study, a tried and tested research questionnaire by Kiragu (2005) was adapted for this study.

4.2.6 Research strategy

Saunders et al. (2009) suggests that a research study can make use of an experiment or survey or case study or action research or grounded theory or ethnography or an archival research strategy. This study conducted a survey at the City of Windhoek. The use of surveys is consistent with the positivism philosophy as it allows the study to target a big population, something that may result in a bigger sample of respondents. A bigger sample enhances the generalizability of research results, a development that is constant with the assumption of positivism of presenting “universal results” (Yilmaz, 2013). The next section discusses procedures that were followed during the conducting of the research survey.

4.3 Ethical considerations

Israel and Hay (2006) in Wassenaar (2006) state that a research study must comply with the ethics policies and procedures advanced by the university’s Research Ethics Committee. Accordingly, prior to data collection, the author obtained an ethical clearance certificate that permitted the commencement of data collection. The reference number of the ethical clearance certificate is project number: SPLPAD-2018-1744. A copy of the ethical clearance certificate is attached in Appendix C. The process to obtain an ethical clearance certificate included the submission of the research questionnaire, informed consent and proposal for evaluation by the Research Ethics Committee. Areas of importance were ensuring privacy, confidentiality, anonymity, management of respondent’s withdrawal from the study and mitigating potential risks of harm.

To ensure privacy, confidentiality and anonymity, this study did not gather any personal identifying information of respondents. In addition, the data gathered for this study was not transferred to third parties without the consent of respondents. Furthermore, the researcher committed to destroying completed questionnaires once the research project had been completed. The presentation of research findings are reported based on aggregated data, something that minimised the divulgence of explicit data from a single respondent.

In particular to withdrawal from the study, an option was included in the informed consent that allowed respondents to withdraw from the study. In addition, every questionnaire was uniquely labelled, something that allowed the researcher to trace completed copies of the questionnaires of those who would later decide to withdraw their participation. While the option existed, none of the respondents decided to withdraw from the study after submitting a copy of the completed questionnaire. The majority of respondents withdrew prior to completing the questionnaire. As such, questionnaires of those who withdrew from the study were not considered as part of the findings. A copy of the informed consent is attached in Appendix D.

4.4 Chapter summary

This chapter presented a research methodology that was used for data collection and analysis. The study followed a quantitative research methodology. As such, the study assumed a positivism research philosophy and a deductive research approach. Conducting the study using an inductive approach permitted this study to evaluate the BSC with reference to the City of Windhoek. The self-administered questionnaire survey was used for data collection. Descriptive statistics were used to analyse the gathered data. The study abides with ethical requirements as stipulated in the policies and procedures of the Research Ethics Committee at the University of Stellenbosch.

The next chapter presents findings from primary data collected using a methodology explained in this chapter.

Chapter 5 – Presentation and Interpretation of Results

5.1 Introduction

Chapter Four presented the research methodology that was used in this study. This chapter adds to the study by presenting and interpreting results on data that was gathered using a methodology in chapter four. The chapter starts with an overview of the sample profile of respondents and a presentation of the response rate. The chapter goes on to present a report on the views and opinions of the respondents relating to the use of the BSC at the City of Windhoek. In particular, the chapter presents results on evaluating the use of a BSC by the City of Windhoek. Findings from data collection and analysis are interpreted with the aid of comparisons with previous findings in the literature.

5.2 Sample profile and response rate

Seventy (70) hard copies of the questionnaire were distributed to potential respondents at the City of Windhoek. Only fifty (50) responded by completing a copy of the questionnaire over a period of three weeks. Given the respondents who completed the questionnaires, the overall response rate for this study was 71.4%. This was considered enough for the data analysis as it met the targeted sample profile as explained in chapter four.

5.3 Respondents demographics statistics

This section presents the demographical statistics of the respondents that took part in the study. These include gender, age group, position at work, job title, years of experience in the current position and department of employment.

5.3.1 Gender of respondents

The research study sought to establish the gender distribution of the respondents. Figure 5 shows that females (56%) constituted the majority of respondents when compared to

males (44%). These findings can be attributed to the Namibian government policies that are angled at promoting women empowerment.

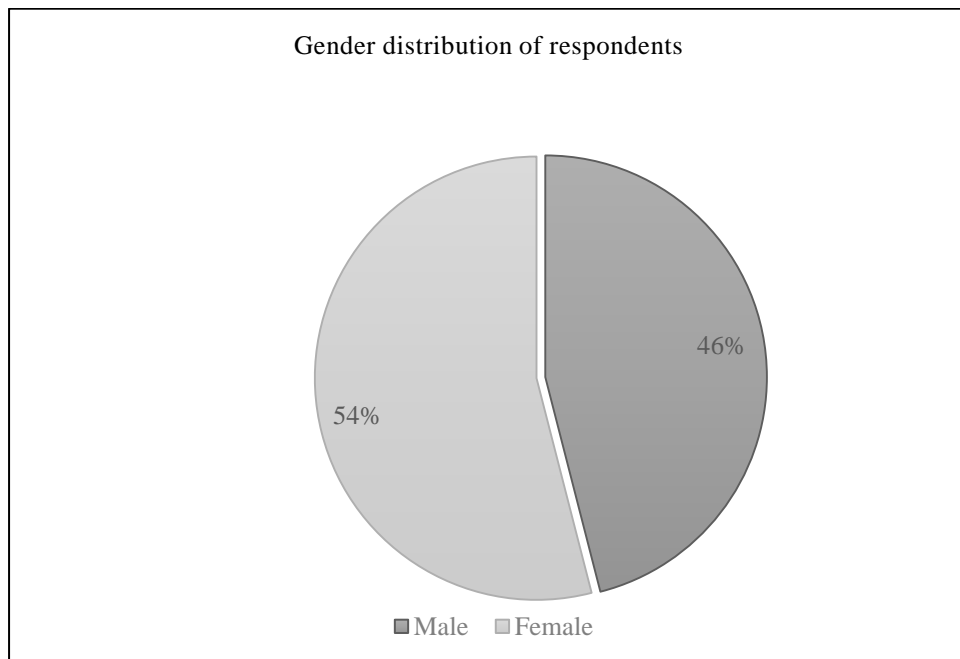


Figure 5: Gender distribution of respondents

5.3.2 Age distribution of respondents

The majority (58%) of the respondents who took part in this study were young in an age group ranging from 20 to 30 years. This was followed (32%) by those who were in the 30 to 40 years old age group. The remaining 10% represented respondents who were 40 to 50 years old. None of the respondents were less than twenty years old or more than fifty years old. Figure 6 shows the age group distribution of participants. These results can be explained by the fact that Namibia has a youthful population.

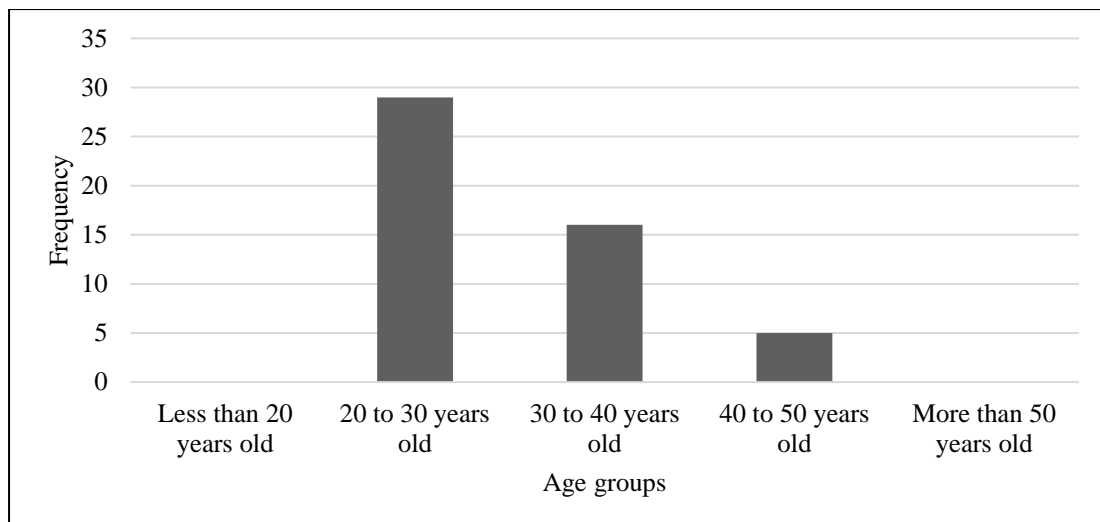


Figure 6: Age distribution of respondents.

5.3.3 Experience in the current job position

The research also looked at the number of years each respondent has had in their current position. This is important as it helped establish if respondents had the knowledge of the use of a performance measurement at the City of Windhoek. The BSC was first introduced in the performance measurement of the City of Windhoek in 2011 during the IBP. However, the transformational strategic plan which further incorporated the BSC was introduced in 2017. This suggests that respondents with at least twelve months of work experience in their current positions should be acquainted with a performance measurement used in their unit or department. The results of the study depicted that 80% of the respondents have spent less than five years in their job positions. These mainly included respondents who have had two years and those with three years of work experience in their current position. In addition, only 12% of the respondents have had five to ten years of experience in their current job position with 8% having more than ten years of experience in their current job positions. These findings suggest that the engaged respondents were already in their current job positions when the City of Windhoek's transformational strategic plan was introduced. Hence, all the respondents qualified to comment on the BSC performance measurement system used by the City of Windhoek. Figure 7 shows a breakdown of respondents' years of experience in their current positions.

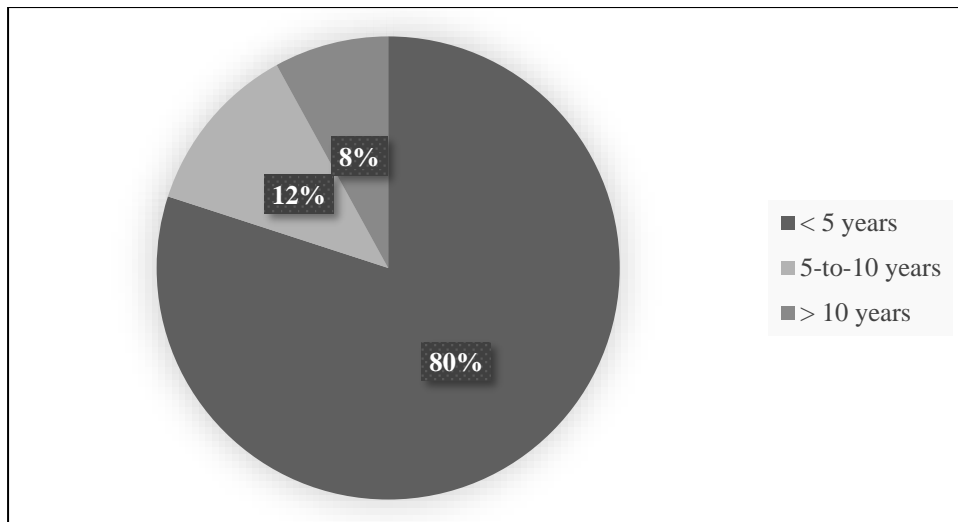


Figure 7: Respondents' experience in their current job positions

5.3.4 The job position at the organization

The results showed that most of the respondents occupied management positions. For instance, 58% were in management positions as senior managers or supervisors or mid-level managers. The remaining 42% were not in management positions. Based on this finding, it can be assumed that the majority of respondents were more knowledgeable about the BSC and its implementation in the performance measurement of the City of Windhoek.

5.4 City of Windhoek's performance measurement

This section focuses on determining whether the employees of the City of Windhoek are aware of the performance measurement deployed at the City and within their departments. This is in line with this study's main objective of reviewing the use of a BSC as a performance measurement by the City of Windhoek.

5.4.1 Use of a performance measurement

Data was gathered to establish if respondents believe that the City of Windhoek uses a performance measurement system. The majority (98%) of respondents agreed that the City of Windhoek makes use of a performance measurement. This finding is consistent with our argument that the majority of respondents have had more than two years'

experience in their current job positions. Hence, it is expected that they are aware of the implementation of the strategic transformational plan of 2017. As already indicated, the plan incorporates a BSC performance measurement. Figure 8 shows the proportion of respondents who agreed that the City of Windhoek has a performance measurement.

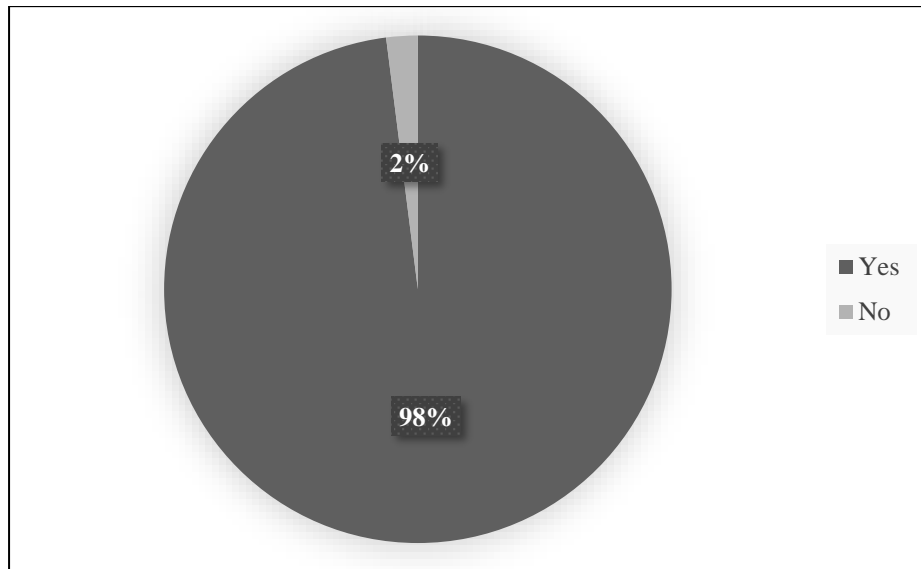


Figure 8: The percentage of respondents who are aware of the City of Windhoek's use of a performance measurement system

To some extent, these findings suggest that the implementation of a performance measurement was communicated across the organization. Communicating a performance measurement across the organization is one of the key factors contributing to its successful implementation (Chan, 2004). Furthermore, the implementation of a performance measurement in the African public sector is slowly becoming a common practice (Bobe et al., 2017; Nyamori & Gekara, 2016). In addition, respondents were asked to indicate the type of a performance measurement adopted by their department or the City of Windhoek. Respondents were asked to select a single choice from three different options. The majority (44%) of the respondents maintained that non-financial performance measurements (job done, employee appraisal, quality service and customer service) were mostly employed in their departments or at the City of Windhoek. Thirty percent (30%) indicated that the adopted performance measurement was financially based. The remaining twenty-six percent (26%) indicated that the adopted performance measures are a combination of financial and non-financial measures. These findings suggest that the adopted performance measurement is based

on various perspectives as advanced by the BSC. Similarly, other public offices in Africa have adopted performance measures with multi-faceted perspectives instead of focusing on the financial perspective alone (Bobe et al., 2017; Goddard et al., 2016). However, it should be noted that performance measurements based on the financial perspective were found to be dominant (80%) among City councils in the United States and Canada (Chan, 2004). This can be explained by the differences in the way performance measurements were implemented as the USA and Canada appear to use a top-down approach where the central or federal government enforces a strict guideline that should be adhered to. Contrary to this practice, the implementation of a performance measurement at the City of Windhoek appears to follow a bottom-up approach where the City has full control over the measures to be implemented and evaluated.

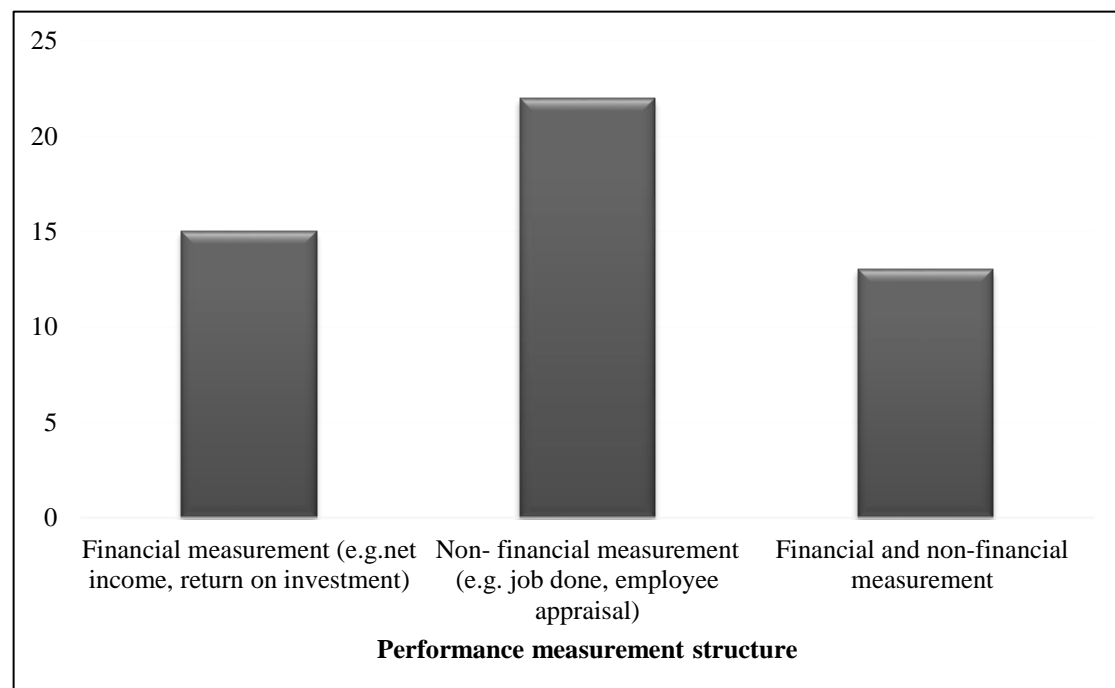


Figure 9: Common performance measurements used

5.4.2 Participation in the performance measurement development

Data was gathered to establish if all departments and units within the City of Windhoek were engaged during the formulation of the performance measurement. The management structure of the City of Windhoek has more than fifteen separate units and departments as shown in Figure 4 of chapter three. Table 2 suggest that nearly all

departments and units were engaged during the formulation of a performance measurement system. At least three percent of the respondents confirmed that each department or unit participated during the formulation of the performance measurement.

FUNCTIONAL AREA OF THE BUSINESS UNIT	FREQUENCY	PERCENTAGE
Electricity	6	4%
City Police	14	9%
Internal Audit	15	10%
Legal services	6	4%
Office of the Mayor	7	5%
Chief operating officer	5	3%
Urban and transport planning	8	5%
Finance and customer services	17	11%
Human capital and corporate services	18	12%
Strategy and performance management	12	8%
Infrastructure, water and technical services	11	7%
Information and communication technology	8	5%
Economic development and community services	7	5%
Housing, property management and human settlement	5	3%
I don't know	0	0%
Other	12	8%

Table 2: Departments and units that participated in development process

An evaluation of the BSC implementation in a selected public sector department in Ethiopia demonstrated that it is important to engage management and employees from all departments during different phases of customizing the performance measurement (Bobe et al., 2017). Furthermore, adjustments to job descriptions and training

workshops mean that a lot of employees are likely to take part in the BSC's implementation. These suggestions were supported by the majority (45%) of respondents who indicated that they received communication of the BSC via information sessions or meetings as shown in Figure 10. These findings could be aligned to an observation by Bobe et al. (2017) that meetings are the dominant means of communicating details about the BSC.

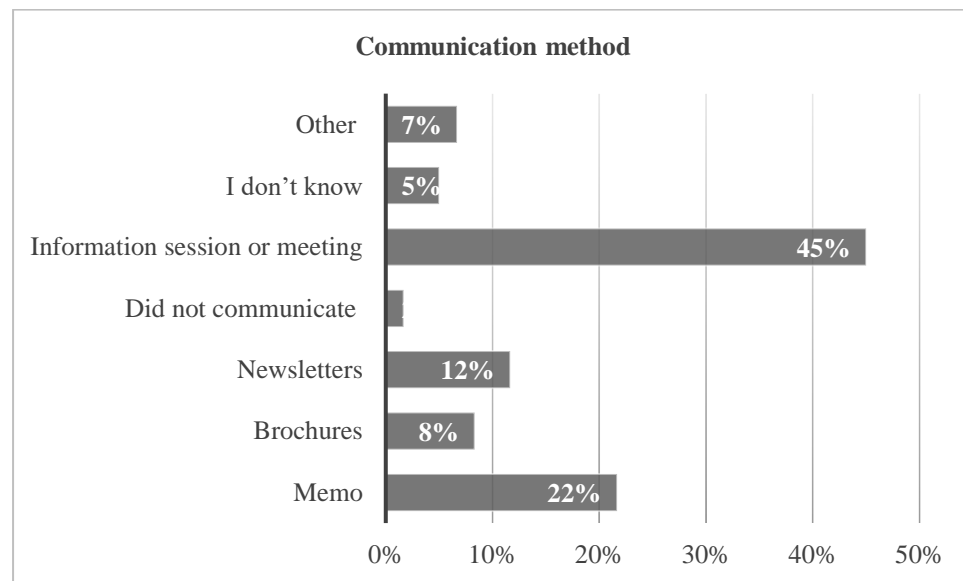


Figure 10: Method of communicating the implementation of a performance measurement

5.4.3 Knowledge of targets or goals

Respondents were asked to identify key performance goals within their units or departments. This question was asked to establish if respondents had any set targets which they were required to meet. The setting of goals or targets and communicating these across the organization is one of the primary components of successfully implementing a performance measurement (Chan, 2004). Accordingly, respondents identified different targets and goals set for their departments or units. These are shown in Figure 11. These targets can be traced back to the two themes stated in the transformational strategic plan for the years 2017 to 2022. These themes are as follows:

- Governance and financial sustainability
- Social progression, economic advancement, infrastructure development.

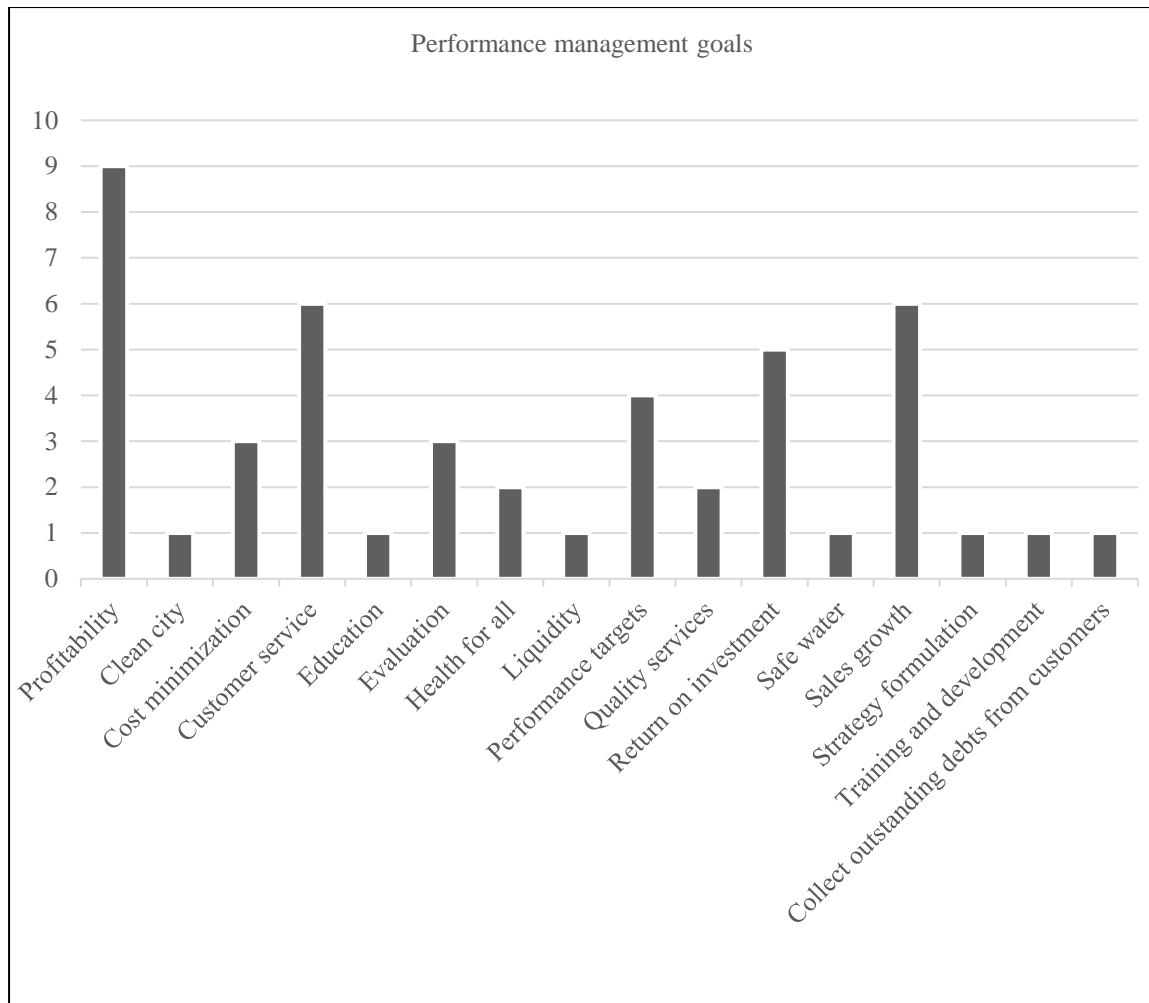


Figure 11: Performance measurement goals important to management.

5.4.4 The impact of BSC on performance

Respondents were asked to rate their performance in the light of the goals specified in Figure 5.6. One of the reasons behind adopting a performance measurement system is to ensure the coordination of work activities towards the achievement of organizational goals. The majority (47%) of the respondents indicated that the process was successfully guiding them towards the achievement of their goals or targets. In addition, thirty eight percent (38%) of the respondents indicated that the process was very successful in guiding their activities towards the achievement of set targets. Very few responses indicated that they were not successful as shown in Figure 12.

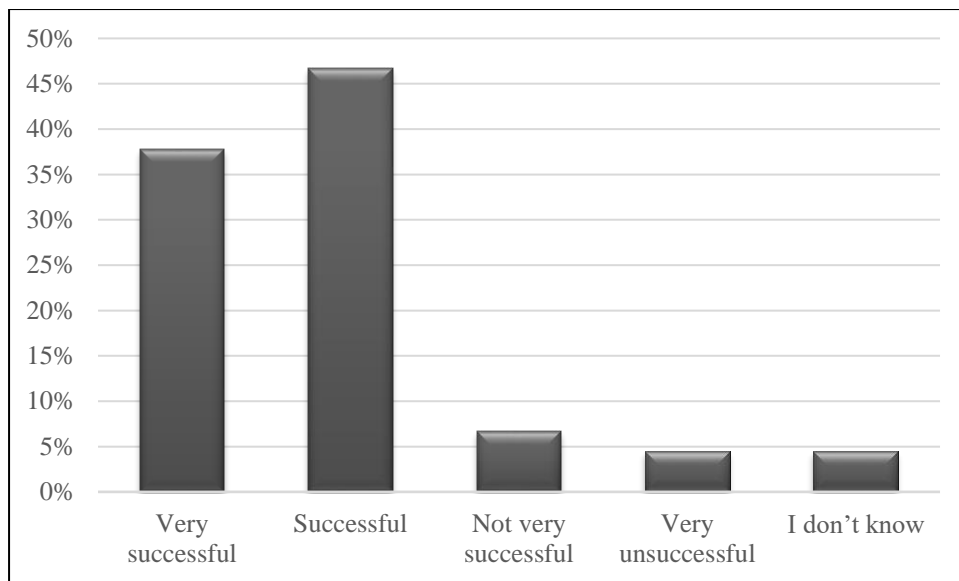


Figure 12: Success rate of performance measurement system

5.4.5 Reasons behind adopting the performance management system

The study went on to gather data for evaluating respondents' perception on why the City of Windhoek was adopting a performance measurement system. Chan (2004) stated that the public sector has now evolved towards a more accountable unit as reflected by the adoption of new public management which is more closely aligned to the use of performance measurement systems. Hence the need to know why the City of Windhoek was adopting a performance management system. The majority of respondents are of the view that the City of Windhoek adopted a performance measurement in order to improve customer focus (16%) followed by a need to improve long-term results (14%) and clarify and communicate the strategy (14%). This is followed by considerations of implementing a non-financial performance measurement (12%). Other respondents are of the view that the City wanted to improve alignment of strategic objectives with actions (10%). Table 3 summarizes these findings. These findings agree to some extent with observation by Prieto, Diener, Wirtz, Tov, Choi, Oishi and Diener (2010) who noted that organizations adopt the BSC in order to: "improve management effectiveness; communicate and implement strategy; link goals of corporate, lines of business and support units; mapping the strategy and identifying critical success factors" (p.11).

Reason for Adopting A Performance Management System	Frequency	Percentage
Improve customer focus	14	16%
Evaluate or refine strategy	7	8%
Improve long-term results	12	14%
Promote strategic learning	6	7%
Clarify and communicate strategy	12	14%
Provide a basis for an incentive system	7	8%
Consider non-financial drivers of performance	10	12%
Identify business process reengineering opportunities	6	7%
Improve alignment of strategic objectives with actions	9	10%
Other	3	3%

Table 3: Reasons for performance management system

5.4.6 Deficiencies of the performance measurement system

Data was gathered to establish possible limitations of the City of Windhoek's performance measurement. The majority of respondents cited a lack of expertise (27%), followed by a lack of management support (13%) and too many measures (12%) as the main limitations of the performance measurement. Figure 13 summarizes these results. The importance of performance measurement skills and management support is well documented within the context of developing countries (Bobe et al., 2017; Suteewasinnon et al., 2016). For instance, the ability of Sri Lanka's public sector to embrace accounting practices can be ascribed to the availability of skills and the laid down structures by the British when compared to the Nepalese who are finding it difficult to incorporate accounting practices into the public sector (Adhikari et al., 2013). Similarly, the Namibian auditor general reported of a shortage of skills in the Namibian public sector. A lack of skills on performance measurements might explain why respondents also find the performance measurement complex or having too many measures.

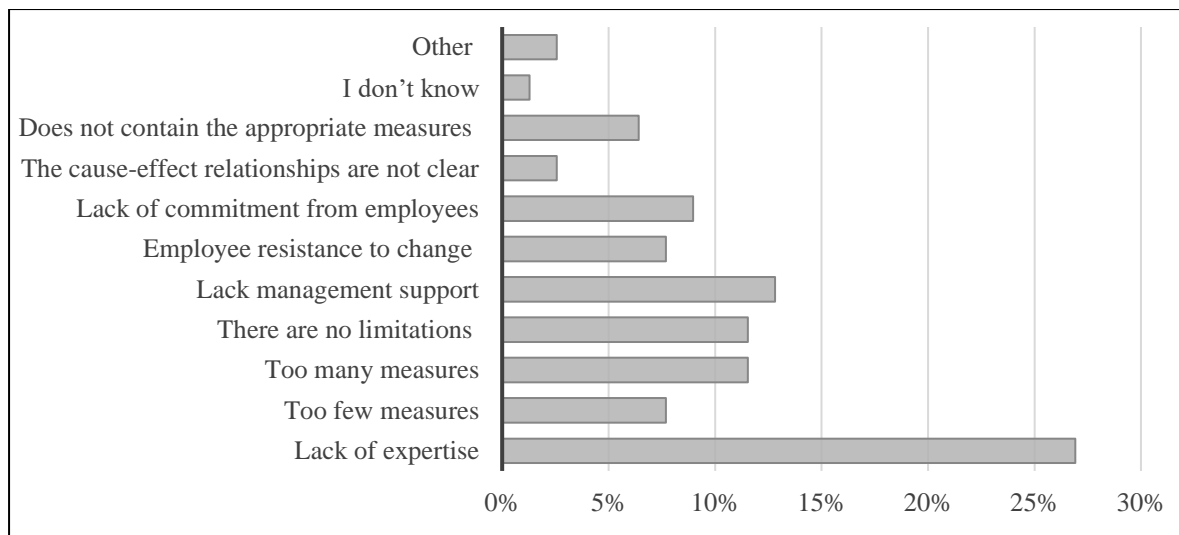


Figure 13: Deficiencies of the performance measurement system

5.5 The adoption of the BSC perspectives by the City of Windhoek

Data was gathered to evaluate the adoption of the BSC perspectives by the City of Windhoek. According to the BSC, a performance measurement must have four perspectives that focus on customers, financial management, internal business processes as well as learning and growth. The BSC argues that a positive performance within these perspectives points to a positive performance of the organization. The next sections report on the City of Windhoek's inclusion of these perspectives in their performance measurement system.

5.5.1 The customer perspective

Respondents were asked to indicate if their performance measurement included attributes for assessing the customer or stakeholder perspective. The results show that the City of Windhoek adopted the customer perspective within their performance measurement system as shown in Figure 14. For instance, twenty six percent (26%) of the respondents indicated that the performance measurement adopted by the City of Windhoek gather data on stakeholders' or customers' access to basic services. Twenty two percent (22%) indicated that the performance measurement system gathers data on the number of complaints from customers. Furthermore, there was an indication that the performance measurement system gathers data on customer satisfaction survey

reports (15%) followed by data on the number of empowered youths, orphans, and vulnerable persons (14%). Of little importance to the City of Windhoek is data on sales to new customers as shown in Figure 14.

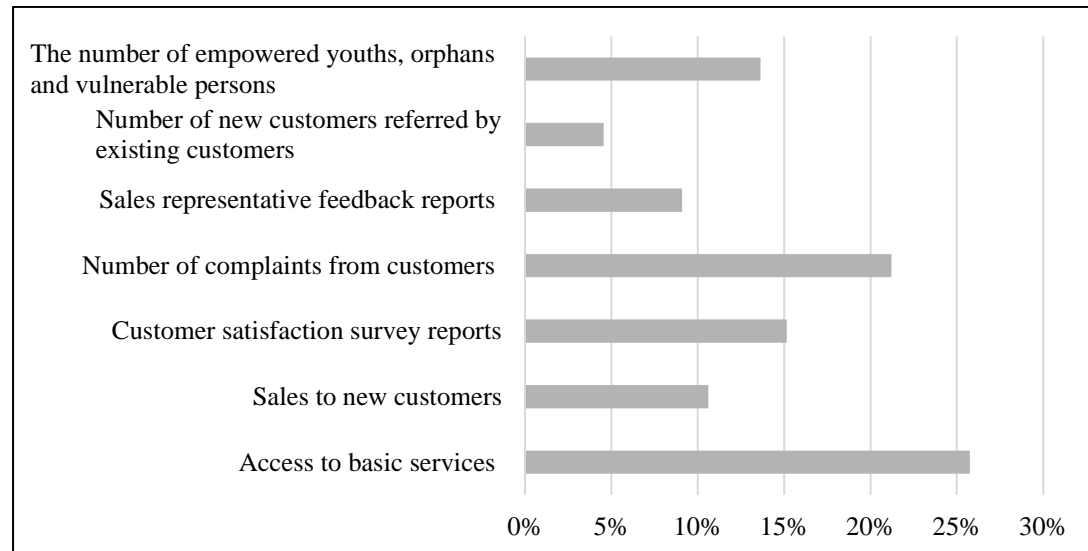


Figure 14: Important factors in the customer perspective of the City of Windhoek

5.5.2 Internal business process perspective

The study gathered data to evaluate the incorporation of internal business processes in the City of Windhoek's performance measurement system. Results show that the City of Windhoek incorporated elements for evaluating internal business processes inside their performance measurement. For instance, thirty-nine percent (39%) of the respondents indicated that the City of Windhoek gather data on improving customer care while data on the provision of smart ICT services (24%) was ranked second most important. Furthermore, the performance measurement of the City of Windhoek has provisions to gather data on the growth of public participation events (15%). These factors are shown in the key performance indicators of the City of Windhoek (City Of Windhoek, 2017). Interestingly, this perspective was not found to be popular among City Councils in the USA and Canada (Chan, 2004). Figure 15 gives a summary of these results.

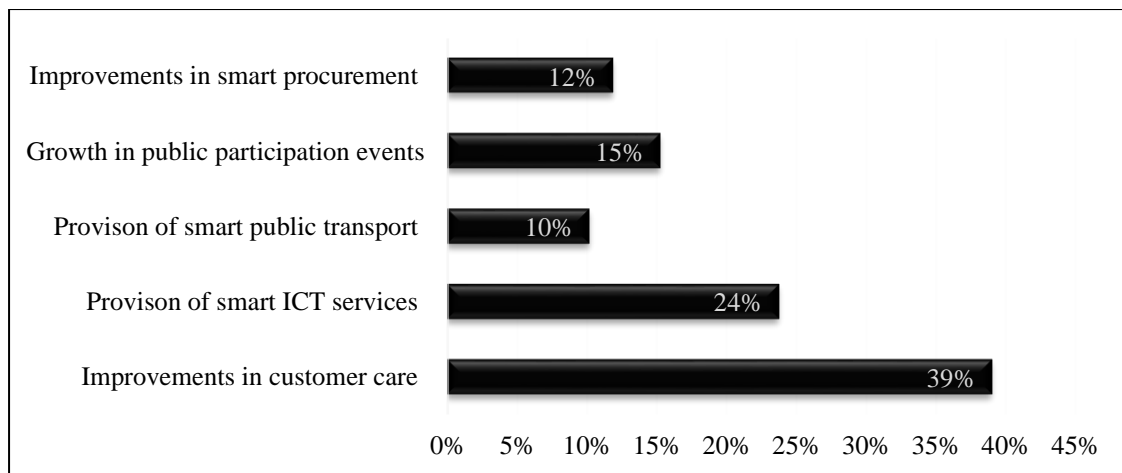


Figure 15: Important factors considered under internal business process

5.5.3 The learning and growth perspective

Data was gathered to establish if the City of Windhoek incorporated the learning and growth perspective within its performance management system. Results from data collection and analysis confirm the City's inclusion of a learning and growth perspective in the performance measurement system. Thirty percent (30%) of the respondents indicated that the City of Windhoek facilitates employee satisfaction surveys. Twenty-two percent (22%) of the respondents indicated that the City gathers data on employee productivity statistics. Furthermore, nineteen percent (19%) indicated that the City conducts employee skill level assessments. These findings reflect on the City of Windhoek's incorporation of the learning and growth perspective within its performance measurement system. Figure 16 summarize these results.

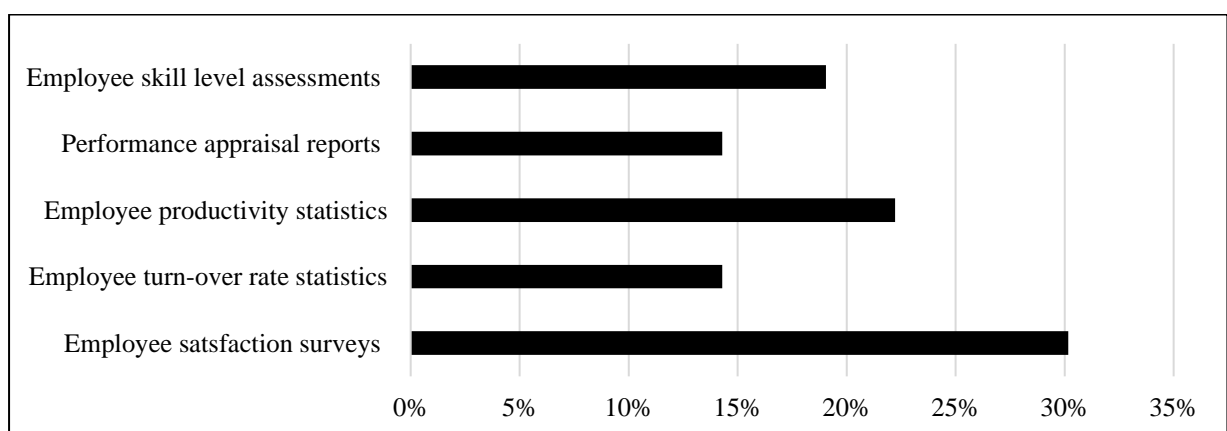


Figure 16: Important factors considered under the learning and growth perspective

5.5.4 The financial perspective

Data was gathered to establish if the City of Windhoek incorporated the financial perspective inside its performance measurement system. Findings from data analysis shows that the City of Windhoek incorporated the financial perspective in its performance measurement system. The majority (20%) of respondents indicated that evaluating the return on investment was the most important factor. This was followed by conducting financial audits (18%) and measures for evaluating the growth of new sources of sustainable revenue (16%). Furthermore, measures to ensure proper debt management (15%) were also seen as a critical component of the financial perspective adopted at the City of Windhoek. Figure 17 summarizes the important financial measurements adopted by the City of Windhoek. This is in line with findings in the literature that shows the financial perspective to be one of the most important perspectives given a shortage of resources (Bobe et al., 2017; Chan, 2004; Sutheewasinnon et al., 2016). Furthermore, to secure more funding, Municipalities have to reflect their transparency and legitimacy in the use of borrowed funds.

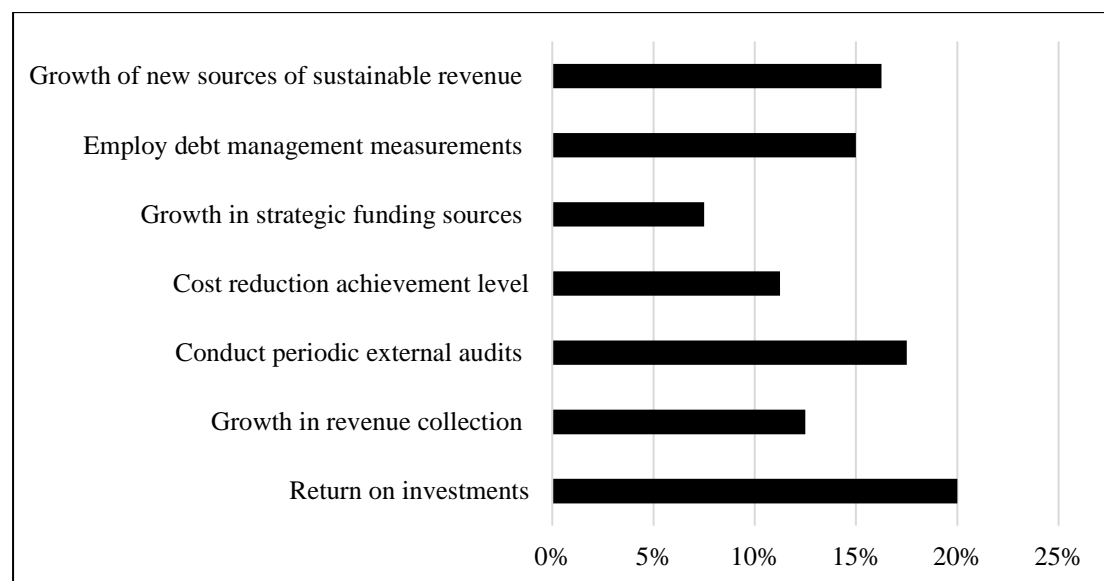


Figure 17: Important factors considered under the financial perspective

5.6 Chapter summary

The study was dominated by female respondents. The majority of these respondents were aged between 20 and 40 years of age, most of whom had more than twelve months of work experience in their current position. Just above 50% of these respondents were

in managerial positions. This suggests that the majority of respondents were aware of the performance measurement employed at the City of Windhoek given that the transformational strategic plan with BSC attributes was adopted in 2017. This was confirmed as 98% acknowledged that the City of Windhoek makes use of a performance measurement. Respondents went on to acknowledge that the City adopted a diversified performance measurement with financial and non-financial measures. The performance measurement was officially communicated to employees through meetings. Furthermore, respondents suggested the City of Windhoek has set targets, something that is commonly found in performance measurements. More than 75% of the respondents believe that the performance measurement helped them achieve their goals. However, respondents found the performance measurement complex and are of the view that there is a shortage of those with the necessary skills to help implement and oversee the operations of the BSC. Data analysis confirmed that the City of Windhoek adopted a performance measurement that included all perspectives in the BSC.

Chapter 6 – The Study Conclusion and Recommendations

6.1 Introduction

This chapter concludes the research study. This study's main objective was to employ the BSC in evaluating the performance of the City of Windhoek. Furthermore, the study sought to establish the impact of the performance measurement adopted by the City of Windhoek. As such, this chapter revisited the research objectives and explains what was done to meet the study's objectives. The explanation identifies areas where findings from this study were in support or diverging from findings in the literature. The study goes on to make recommendations for future and policy formulation in local government performance measurement tools.

6.2 Summary of research findings

This study researched the use of performance measurement tools in local government. This study focused on the City of Windhoek. The City of Windhoek adopted a performance measurement system that has incorporated the BSC since the year 2005. The City of Windhoek went on to relook at its strategic plan in line with the central government's 5th National Developmental Plan and the Harambe Prosperity Plan, another developmental plan. These national plans are in cognizance with Namibia's long-term vision: Vision 2030 that aims to attain an information-centred society by the year 2030. However, there are no publicized results to establish if the City of Windhoek's performance measurement tool is helping the City meet its objectives. The literature suggests that when a performance measurement is adopted using a bottom-up strategy, the City may have the discretion to decide if results on the performance measurement system can be published (Kuhlmann, 2010b). Furthermore, the public sector faces challenges when implementing performance measurement tools due to limited technical skills and limited resources (Adhikari et al., 2013; Bobe et al., 2017; Suteewasinnon et al., 2016). Besides, the BSC is not prescript and an adopter can come up with their own perspectives other than those contained in the original BSC (Chan, 2004). Given limited skills in local governments, there are fears the performance measure might be abused as noted by Yadav et al. (2013). Hence, it is important to

research on the City of Windhoek's implementation of a performance measurement to establish their progress and how this has influenced operations and performance at the City.

To address the research problem, this study employed a BSC in evaluating the performance of the City of Windhoek. In particular, the study sought to investigate the implementation of a BSC at the City of Windhoek and evaluate the impact of the performance measurement on the City. The main objective was divided into sub-objectives. These sub-objectives of chapter one are revisited in the sections below indicating the study's findings under each sub-objective:

- *To review the implemented performance measurement at the City of Windhoek.*

This study sought to establish a performance measurement adopted by the City of Windhoek. A literature review of Chapter Two found that performance measurements evolved from finance-oriented performance measurements. Today, there are different performance measurement systems ranging from financial-oriented to non-financial based performance measurement tools. These include the SMART pyramid, BSC, performance prism, EFQM and performance-measurement matrix. These performance measurement tools are considered suitable for the public sector and local government as these are non-profit organizations. The BSC is one of the popular performance measurements in local government (Chan, 2004). The City of Windhoek's transformational strategic plan for the years 2017 to 2022 shows that the City adopted a BSC-oriented performance measurement tool. Data collection and analysis confirmed that the City of Windhoek adopted a performance measurement. The majority of respondents (44%) indicated that the City of Windhoek adopted a non-financial performance measurement. Twenty six percent (26%) of the respondents indicated that the City of Windhoek adopted a performance measurement with a financial and non-financial measure. Based on these findings, it was concluded that the City of Windhoek adopted a non-financial oriented performance measure.

- ***To determine the extent to which the balanced scorecard has been adopted by the City of Windhoek?***

This sub-objective sought to establish the extent to which the BSC was adopted by the City of Windhoek. Organizations can adopt all perspectives in the BSC and can also define their own perspectives other than those in the BSC (Chan, 2004; Yadav et al., 2013). For example, a public hospital in Ethiopia, ALERT's implementation of the BSC saw the organization aligning its strategic plan to that of the parent ministry. In addition, ALERT cascaded the BSC guided by implementations done at ministerial level. While the ministry had ten objectives, ALERT derived its own eight strategic objectives (Bobe et al., 2017). In addition, Chan (2004) found that, while City councils in the USA and Canada widely adopted the financial perspective, very few of these City councils adopted the internal business process perspective. Similarly, the City of Windhoek adopted its BSC by aligning its strategic objectives to a national developmental plan named the Harambe Prosperity Plan. The City of Windhoek's BSC implementation has seventeen strategic objectives compared to ALERT's eight. Data collection and analysis found that the City of Windhoek's performance measurement includes the customer, financial, internal business processes and a learning and growth perspective. These findings suggest that the City of Windhoek adopted all perspectives of the BSC in its implemented performance measurement.

- ***To establish the impact of performance measurement on the City of Windhoek.***

The reviewed literature suggests the implementation of a performance measure in the public sector has an effect on the organization. These impacts range from the re-alignment of the organizational structure. For example, Germany's local authorities were restructured to accommodate the implementation of a performance measurement (Kuhlmann, 2010a). This saw the introduction of new job positions, a requirement of new skills and changes to job design. Similar effects were observed in the public sector of Thailand, Kenya, Ethiopia and Tanzania (Bobe et al., 2017; Goddard et al., 2016). However, it should be noted that the implementation of performance measurement is radical and often associated with complexities that are compounded by a lack of

adequate skills (Bobe et al., 2017; Goddard et al., 2016). The literature concedes that if properly implemented, a performance measurement can enhance the achievement of goals (Kuhlmann, 2009). Similarly, the City of Windhoek went through radical changes in its implementation of the BSC. This saw a proposition of a new management structure and possibly new job roles that also required a different skill set (City of Windhoek, 2017). Data collection and analysis confirmed the existence of different units and departments at the City of Windhoek as suggested in the proposed management structure of 2017 shown in Figure 4. The respondents that took part in the study went on to indicate that the implemented performance measurement adopted at the City of Windhoek helped them meet their goals. However, the implementation of performance measurements is crippled by the practice of “window dressing”. The literature reports of cases where employees manipulate the evaluation frameworks (Bobe et al., 2017; Sutheewasinnon et al., 2016). Respondents further confirmed that the implementation of the BSC was negatively affected by a lack of performance measurement technical skills, lack of management support and that the measurements were complex.

- *To determine the City of Windhoek’s performance management implementation strategy.*

The literature found that the adoption of reforms in the PS are in accordance with NPM principles. In particular, Chapter Two of this study showed that the reason for adopting reforms in the PS was necessitated by the need to attain legitimacy (Andrews, 2011). Legitimacy is attained by conforming to externally designed systems, practices and beliefs (Andrews, 2011). The chapter went on to use the Institutional Theory to explain the occurrence of reforms in the PS (Andrews, 2011; Goddard et al., 2016). The Institutional Theory proposes that change in the PS can be explained by coercive, mimetic and normative pressure. For example, a top-down implementation of a performance measurement in the UK suggests that local governments were under coercive pressure due to of legislative requirements. Accordingly, the local governments were required to demonstrate positive performance in order to reap rewards; otherwise, the council would face pre-specified punitive measures. Similarly, the USA and Canadian City councils are required to implement reforms as required by the legislation. However, German local authorities assume a bottom-up approach and

they are not under much pressure to deliver. Hence, it is expected that the mimetic and normative pressure are at play. Within the African context, it was observed that the coercive, mimetic and normative pressure are quite visible (Andrews, 2011; Bobe et al., 2017; Goddard et al., 2016). This is so because these PS organisations often source funding from international organisations such as the World Bank. They are negatively affected by a lack of technical skills on performance measurements and governments often impose performance measurements on local government. Furthermore, home-grown reform models for PS performance suitable for the LDC are not yet fully developed. This is the case with the City of Windhoek whose operations are subject to review by external institutions such as the Auditor General's Office, NAMFISA, and is forced to comply with legislative requirements such as the Procurement Act. This exposes the City to the coercive pressure. Interestingly, the City of Windhoek implemented its performance measurement in consultation with other stakeholders, mainly the regional council. There is no clear indication that the Auditor General's Office and NAMFISA participated. Data collection and analysis show that it was mainly the City of Windhoek and its departments that took part in the formulation of the performance measurement tool. Hence, there are fears the City might expose itself to mimetic pressure due to a lack of skills and the know-on how to adopt a complete and accurate performance measurement. This is supported by the majority of respondents who lamented a lack of performance measurement skills (27%). Furthermore, there are suggestions that the City of Windhoek finds the performance measurement complex. Twelve percent of the respondents indicated that the City of Windhoek's performance has too many measures and another twelve percent are of the view that the performance measurement has no limitations.

6.3 Conclusion

The results from data collection and analysis confirm that the City of Windhoek adopted a performance measurement system that conforms to the objectives of the BSC. The City of Windhoek adopted all perspectives in the BSC and proposed seventeen objectives. To our knowledge, the City of Windhoek proposed more objectives than those reported in the literature. The City aligned its adoption of the BSC to national developmental goals that were reflected by two themes in the performance measurement system. Respondents are of the view that the performance measurement

is helping them achieve organizational goals. However, this result has to be considered with caution, given that employees can manipulate the performance evaluation instrument. Furthermore, the City of Windhoek restructured its management structure in order to adopt a new performance measurement. Lastly, there are indications that the City of Windhoek's implemented performance measurement system is prone to coercive, mimetic and normative pressure according to the Institutional Theory.

6.4 Recommendation

The study acknowledges that the City of Windhoek adopted a performance measurement system. However, it is recommended that the City of Windhoek publish results on its performance within different KPAs identified. Publishing performance results can help bolster democracy in Namibia. In addition, there seems to be no clear evaluation of the performance of the IBP and how these performances influenced the design of its successor, the Strategic Transformational Plan. Similarly, the results and each stage of implementing the Strategic Transformational Plan should be reviewed clearly indicating how outputs at one stage is important as inputs of the next stage.

The City of Windhoek's performance measurement system does not seem to clarify on the evaluating authority and consequences. It would be good to have these clarified in order that employees can be motivated towards the achievement of organizational goals.

Employees at the City of Windhoek are of the view that there is a lack of employees with technical skills on performance measurement systems, poor management support and that the adopted performance management system is complex. The City should consider engaging specialists on BSC in the public sector and train those in management as well as ordinary members. More responsibility should be given to management in order to enhance management involvement and support. The City of Windhoek should conduct periodic reviews on the implementation of the performance measurement itself and make sure all complexities are addressed. Employee training can also help enhance the understanding of the performance measurement and reduce the perceived view that it is complex.

6.4.1 Future research opportunities

While this study has met its objectives and contributed to the research domain, there is room for further research on the City of Windhoek's implemented BSC. In addition, more research is needed on local government's implementation of performance measurements in Africa. Contextual factors play a critical role in performance measurements adoption; hence, the need for more research to enhance the understanding of the subject. The following future research opportunities were suggested:

- The performance evaluation instrument used at the City of Windhoek needs to be investigated. It is important that further research be done on this to establish any possibilities of "window dressing" and other potential limitations.
- Performance measurement at other local authorities in Namibia needs to be investigated. It should be noted that Namibian local authorities differ in their dependence to the Government in terms of their ability to self-fund operations. As such, it is important to establish the influence of such technicalities on the adoption of performance measurements. Such a study could be conducted in municipalities of other provinces for the purpose of comparisons.

6.5 Chapter summary

This chapter sought to present the research conclusion and recommendations. The chapter revisited research objectives of Chapter One and explained what was done to meet the objectives. It was concluded that there is evidence to support the fact that the City of Windhoek adopted the BSC as a performance measurement. The implementation of the BSC appears to be an initiative of the City of Windhoek, even though there are external pressures to adopt such a system. This study went on to recommend areas of future research. For instance, the use of performance measurement within the African context of Public Service needs more research if it is to be fully understood. In addition, the effectiveness of performance evaluation tools needs to be reviewed to establish their completeness and how they mitigate the possibility of window dressing.

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Appendix A: The Questionnaire

Dear Sir/Madam

I am currently undertaking an academic research project entitled “***IMPROVING THE PERFORMANCE OF THE MUNICIPALITY OF WINDHOEK USING THE BALANCED SCORE CARD AS A PERFORMANCE MEASUREMENT TOOL***”.

I am kindly asking you to answer the questions provided which shall solely be used for academic purposes and the furnished information will be private and confidential. You are requested to complete the questionnaire as honestly as possible.

SECTION A: BIOGRAPHICAL INFORMATION

Please answer the questions by providing relevant information in the space provided below each question.

1. Please indicate your position at work (e.g. management).

2. What is your job title (e.g. accountant, security)?

3. Indicate the number of years you have been in your current position.

What is the name of your Department or Unit (e.g. Urban & Transport)?

5. Indicate your gender (select only one): Male () Female ()

6. What is your age-group (select only one)?

Less than 20 years old:

20 to 30 years old:

30 to 40 years old:

40 to 50 years old:

More than 50 years old:

SECTION B

Make use of a tick (✓) or an (X) to indicate your choice or answer to each of the following questions:

1. Do you think the Municipality of Windhoek measures its performance?
 - Yes ()
 - No ()

2. Do you measure performance in your Department or Unit?
 - Yes ()
 - No ()

3. If YES, in (1) or (2) or both above, what performance measurement does the Municipality of Windhoek or your Department use (select only one)?
 - Financial measurement (e.g. net income, return on investment): ()
 - Non-financial measurement (e.g. job done, employee appraisal): ()
 - Financial and non-financial measurement: ()

4. Which functional areas of the business unit participated in the development of the performance measurement system (select all that apply)?
 - Electricity ()
 - City police ()
 - Internal audit ()
 - Legal services ()
 - Office of the mayor ()
 - Chief operating officer ()
 - Urban & transport planning ()
 - Finance & customer services ()
 - Human capital & corporate services ()
 - Strategy & performance management ()
 - Infrastructure, water & technical services ()
 - Information & communication technology ()
 - Economic development & community services ()
 - Housing, property management & human settlement ()
 - I don't know ()
 - Other ()

5. How did the business unit communicate the implementation of the performance measurement system to the employees of your unit (select all that apply)?
 - Memo ()
 - Brochures ()

- Newsletter ()
- Did not communicate: ()
- Information sessions/meeting: ()
- I don't know: ()
- Other: ()

6. Please list up to four performance measurement goals that your management considers important

7. How would you rate the success of your performance against the goals you stated above (select only one)?

- Very successful ()
- Successful ()
- Not very successful ()
- Very unsuccessful ()
- I don't know ()

8. What would you consider as the reasons behind adopting the performance management system (select all that apply)?

- Improve customer focus ()
- Evaluate/refine strategy ()
- Improve long-term results ()
- Promote strategic learning ()
- Clarify and communicate strategy ()
- Provide a basis for an incentive system ()
- Consider non-financial drivers of performance ()
- Identify business process reengineering opportunities ()
- Improve alignment of strategic objectives with actions ()
- Other (specify): _____

9. In your opinion what are the deficiencies of your performance measurement system (select only one.)?

- Lack of expertise ()
- Too few measures ()
- Too many measures ()
- There are no limitations ()
- Lack management support ()
- Employee resistance to change ()
- Lack of commitment from employees ()

- The cause-effect relationships are not clear ()
- Does not contain the appropriate measures ()
- I don't know ()
- Other (specify):_____

10. Does your performance measurement system enable you to have the following information (select all that apply)?

- Access to basic services ()
- Sales to new customers ()
- Customer satisfaction survey reports ()
- Number of complaints from customers ()
- Sales representative feedback reports ()
- Number of new customers referred by existing customers ()
- The number of empowered youths, orphans & vulnerable persons ()

11. Does your performance measurement system allow you to gather the following information (select all that apply)?

- Improvements in customer care ()
- Provision of smart ICT services ()
- Provision of smart public transport ()
- Growth in public participation events ()
- Improvements in smart procurement ()

12. Does your organization maintain/measure the following (select all that apply)?

- Employee satisfaction surveys ()
- Employee turnover turn-over rate statistics ()
- Employee productivity statistics ()
- Performance appraisal reports ()
- Employee skill level assessments ()

13. Does your organization use the following measures (select all that apply)?

- Return on investments ()
- Growth in revenue collection ()
- Conduct periodic external audits ()
- Cost reduction achievement level ()
- Growth in strategic funding sources ()
- Employ debt management measurements ()
- Growth of new sources of sustainable revenue ()

The End

Thank you

Appendix B: Permission to Conduct A Survey at The City of Windhoek

Department of Human Capital & Corporate Services

☒ 59

Corner of 5378 Independence Avenue and Garten Street
WINDHOEK, NAMIBIA

Tel: (+264) 61 290 2911 • Fax: (+264) 61 290 3212 • www.cityofwindhoek.org.na



ENQ: Ms CN Lilungwe

DATE: 23 October 2017

PHONE: 09 264 61 290 2356

FAX: 09 264 61 290 3212

EMAIL: cnl@windhoekcc.org.na

RE: PERMISSION TO CONDUCT RESEARCH TITLED "IMPROVING THE PERFORMANCE OF THE MUNICIPALITY OF WINDHOEK USING THE BALANCED SCORE CARD PERFORMANCE MEASUREMENT TOOL" – GELLY C NESHAMBA (STUDENT NO. 20542410)

This letter serves as confirmation that Ms Gelly C Neshamba, a student pursuing a Masters Degree in Public Administration at the University of Stellenbosch, has been granted permission to conduct her research on the above subject within the City of Windhoek.

Respondents to the study are therefore requested to render the student their cooperation and assistance. Should there be any queries, please feel free to contact the Human Resources Development Division on the above contact details

Yours Sincerely

AM Nikanor

Manager: Human Resources Development

CITY OF WINDHOEK HUMAN RESOURCES DEVELOPMENT	
2017 -10- 23	
NAME:	CN LILUNGWE
SIGNATURE:	

All official correspondence must be addressed to the Chief Executive Officer

Appendix C: Ethical Clearance Certificate



NOTICE OF APPROVAL

REC Humanities New Application Form

24 October 2018

Project number: 1744

Project Title: IMPROVING THE PERFORMANCE OF THE MUNICIPALITY OF WINDHOEK USING THE BALANCED SCORE CARD PERFORMANCE MEASUREMENT TOOL

Dear Miss Gelly Neshumba

Your REC Humanities New Application Form submitted on 11 September 2018 was reviewed and approved by the REC: Humanities.

Please note the following for your approved submission:

Ethics approval period:

Protocol approval date (Humanities)	Protocol expiration date (Humanities)
24 October 2018	23 October 2021

GENERAL COMMENTS:

Please take note of the General Investigator Responsibilities attached to this letter. You may commence with your research after complying fully with these guidelines.

If the researcher deviates in any way from the proposal approved by the REC: Humanities, the researcher must notify the REC of these changes.

Please use your SU project number (1744) on any documents or correspondence with the REC concerning your project.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

FOR CONTINUATION OF PROJECTS AFTER REC APPROVAL PERIOD

Please note that a progress report should be submitted to the Research Ethics Committee: Humanities before the approval period has expired if a continuation of ethics approval is required. The Committee will then consider the continuation of the project for a further year (if necessary)

Included Documents:

Document Type	File Name	Date	Version
Proof of permission	Institutional permission letter	24/11/2017	1
Research Protocol/Proposal	Osly Neshumba MPA 2018 Research	26/08/2018	2
Informed Consent Form	Informed Consent form for 20542410	26/08/2018	2
Data collection tool	Questionnaire V2 10-09-2018 20542410	10/09/2018	V3

If you have any questions or need further help, please contact the REC office at cgraham@sun.ac.za.

Sincerely,

Clarissa Graham

REC Coordinator: Research Ethics Committee: Human Research (Humanities)

Appendix D: Informed Consent



UNIVERSITEIT • STELLENBOSCH • UNIVERSITY
jou kennisvennoot • your knowledge partner

STELLENBOSCH UNIVERSITY

CONSENT TO PARTICIPATE IN RESEARCH

Dear Windhoek Municipality Staff members

My name is Gelly Neshamba and I am a student at Stellenbosch University, South Africa doing Masters in Public Administration at the School of Public Leadership and Development. I would like to invite you to participate in a research project entitled **‘IMPROVING THE PERFORMANCE OF THE MUNICIPALITY OF WINDHOEK USING THE BALANCED SCORE CARD PERFORMANCE MEASUREMENT TOOL’**

Please take some time to read the information presented here, which will explain the details of this project and contact me if you require further explanation or clarification of any aspect of the study. Also, your participation is **entirely voluntary** and you are free to decline to participate. If you say no, this will not affect you negatively in any way whatsoever. You are also free to withdraw from the study at any point, even if you do agree to take part.

My research topic is centred on balanced scorecard which is a performance management tool used by managers to keep track of the execution of activities by the staff within their control and monitoring the consequences arising from these actions. There are mainly four aspects of balanced scorecard which are hereunder:

- Financial perspective – looks at profitability, solvency, sales growth and liquidity
- Customer perspective – seeks to meet customer satisfaction
- Innovation and learning perspective the extent to which the organisation offers training and development for its employees

- Internal perspective – relates to internal business processes such as operations, decision making and communication

Please kindly note that the purpose of this research is to review the municipality, develop possible measures and solutions for the betterment of not only the municipality but the whole nation of Namibia at large. Your participation would also assist the researcher in obtaining true and accurate information that would help in giving unbiased results and also help in implementing correct control and performance measures, hence the need for your voluntary and unbiased participation.

The researcher would also like to assure you that the data collected would be solely used for academic purposes and would be accessed by only the researcher and her supervisor. The collected data would be electronically stored in the Stellenbosch database, and all the hardcopies would be destroyed. Only authorised personnel would have access to the stored data.

If you have any questions or concerns about the research, please feel free to contact the following:

Gelly Neshamba (Researcher) - +264812250264 or gnes2020@gmail.com

Dr. Zwelinzima Ndevu (Supervisor) - zwelinzima@sun.ac.za

RIGHTS OF RESEARCH PARTICIPANTS: You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research participant, contact Ms Maléne Fouché [mfouche@sun.ac.za; 021 808 4622] at the Division for Research Development.

You have the right to receive a copy of the Information and Consent form.

If you are willing to participate in this study please sign the attached Declaration of Consent and hand it to the researcher

DECLARATION BY PARTICIPANT

By signing below, I agree to take part in a research study entitled **‘IMPROVING THE PERFORMANCE OF THE**

**MUNICIPALITY OF WINDHOEK USING THE BALANCED SCORE CARD
PERFORMANCE MEASUREMENT TOOL''** conducted by Gelly Neshamba.

I declare that:

- I have read the attached information leaflet and it is written in a language with which I am fluent and comfortable.
- I have had a chance to ask questions and all my questions have been adequately answered.
- I understand that taking part in this study is **voluntary** and I have not been pressurised to take part.
- I may choose to leave the study at any time and will not be penalised or prejudiced in any way.
- I may be asked to leave the study before it has finished, if the researcher feels it is in my best interests, or if I do not follow the study plan, as agreed to.
- All issues related to privacy and the confidentiality and use of the information I provide have been explained to my satisfaction.

Signed on

Signature of participant

SIGNATURE OF INVESTIGATOR

I declare that I explained the information given in this document to _____ [He/she] was encouraged and given ample time to ask me any questions. This conversation was conducted in [Afrikaans/*English/*Xhosa/*Other] and [no translator was used/this conversation was translated into _____ by _____]

Signature of Investigator

Date